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LATIN AMERICA REPORT

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GOVERNMENT EFFORTS TO LOWER RATE OF INFLATION DISCUSSED

Commission Meeting

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 Oct 84 p 20

[Text] A commission of members of the government and private enterprise of the industrial, agricultural, business and financial sectors will begin to hold meetings Monday afternoon in Brasilia to establish the goals in future inflation, betting on its gradual decline. That was the specific result of a series of meetings between Minister of Planning Delfim Netto and businessmen in a joint effort to lower inflation. From the meeting held yesterday in Sao Paulo there emerged the certainty that no link in the chain has been broken, therefore there is no reason for inflation to climb to 300 percent. The great doubt, which was in the financial sector, appears to have been laid to rest by a statement made by the minister that "The bankers are no longer sitting in a tree but rather out on a limb that can be sawed off."

The state financial sector controlled by the Central Bank will be adjusted within the general goals on inflation, as was ~~guaranteed~~ by the special secretary for supply and prices, Jose Milton Dallari. He said that in addition to the decline in international rates of interest and the fact that the country has a breathing spell because it does not have the need for acquiring new money, since the large projects have been finished, the Central Bank can work with a specified inflationary goal.

According to what the businessmen heard from Delfim, the Central Bank will begin to pay lower rates in the auctions of state bonds (ORTN, LTN) comparative with the prospects of a decline in inflation. The Central Bank has reduced the net rate of interest from a level of 16.5 percent above the correction made up to the last meeting of the National Monetary Council, to 14.5 percent as a result of the compulsory investments that were created. At the last auction on Monday, however, the government accepted the pressures of the market and increased the rates. That is why the businessmen of the financial sector view the new threat by the government with cynicism unless it is preparing new measures which will raise mandatory investments by the financial institutions in state bonds.

Moreover, the government once more guaranteed that it will hold down the prices administered by it, despite the fact that it quoted no percentages. In that respect, Dallari guaranteed that repressed prices have already been corrected and that all that remains to be done now is to reduce state company costs in a new general tightening up. He denied, however, that he is in possession of a certain study, as a businessman claimed, pointing out sectors of the government which have a certain leeway and for that reason may work with prices which are below costs.

Psychological Component

"We need to do something so that we Brazilians are not labelled as incompetents having to work with a 300-percent inflation," declared Dallari after a meeting with industrialists in which Minister Delfim confirmed that many companies were already working with that "unjustifiable" rate. The idea of the minister, according to SINDIPECAS [expansion unknown] President Pedro Eberhardt, is that "of delivering the house in order" otherwise the next government will have to adopt new drastic measures that will harm everyone. The government, according to FIESP [Sao Paulo State Federation of Industries] Vice President Paulo Francini, does not intend to hand over "a delayed action bomb" to its successor by repressing or freezing prices. Therefore, the minister did not ask for readjustments beyond those necessary and asked the industries not to increase them beyond that which is necessary on the basis of past inflation and rising future inflation. That is why the task force that begins meeting on Monday will seek to establish inflation goals for the next 6 or 8 months. The initial rate emerging from the discussions should be, according to other sources, around an 8-percent inflation for November and December.

The important thing of which the industrialists emerged convinced, is that of reversing the psychological component. "Wishes and beliefs are a factor in inflation. The more people believe it is going to decline, the greater the chances of being successful," adds Francini. In fact, according to Nildo Nasini, president of the Trefiliacao Union, in addition to the real factor (costs), inflation has that component.

That is why he believes it is useless to place price controls on the large companies since the small and medium companies work with high inflationary expectations. He cites the examples of chickens and soybean oil, whose prices declined wholesale but increased retail. Therefore, the important thing is to work with a future rate of inflation which is lower than that which the present forecast envisions. At the same time, however, according to Nestle President Alexandre Mahler, the government has to watch interest rates carefully because when the time comes to readjust prices the parameters are provided by the banks.

Price Controls Needed

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 21 Oct 84 p 42

[Article by Milano Lopes: "Lowering of Inflation, a Political Goal"]

[Text] The purpose of the government when it asks businessmen to hold back prices and make minor readjustments in products such as electricity, steel and fuels, is limited to seeking a rate of inflation slightly below the 211 percent of last year by the end of the year. This is a goal which is more political than economic and is destined to show by any means that the rate of inflation is falling, or that the present government will pass a declining rate of inflation on to its successor.

In the intermediate levels of the economic administration itself, where there are fewer political appointments, it is said that since the present inflationary process is caused by the strategy of the domestic and foreign adjustment of the economy, it would be self-deluding to imagine a reverse in the inflationary process as a result of a psychological effect alone or by the willingness of businessmen to let go of a share of their profits.

The Voice of Numbers

In 12 months, the accumulated inflation up to September reached 212.9 percent, slightly higher than that of 1983. This month the expectation of the government is that of a rate of inflation of around 10.5 to 10.8 percent, lower, therefore by more than two percentage points than the 13.3 percent recorded in October last year, which means that the 12-month accumulated rate in October will undergo a decline, remaining below the 211 percent of 1983.

The problem is localized, however, in the last two months of the year, when every effort will have to be made to replace the 8.4 percent of November 1983 and the 7.6 percent of December by equal or smaller values, otherwise the annual inflation of 1984 will be higher than that of last year, thwarting the expectations of the government.

However, in order for the average monthly rate to decline from the 10 percent recorded in the January-September period to 8 percent in November and December, it will be necessary to make a special effort in holding prices down and to have an effective cooperation between the industrial sector and the main supermarket chains.

Danger of Repression

There arises then the danger of price repression and its high cost, that sooner or later will come in the shape of a corrective inflation, which could characterize the first quarter of next year, or make itself felt at the beginning of April, when a new government would be installed.

Artificial containment of prices administered by the government, with minor readjustments for wheat, steel, copper, electrical power, important materials in the formation of industrial costs, and in the other public service rates will conclude by creating more serious problems for the operational revenues of the state companies selling those services and products within a few months. Since their expenditures timetables are not reduced, there would be an inevitable deficit in the state sector, which would also not be faced by the present economic team but by whoever succeeds it. With respect to steel prices and those of electricity, the agreement made with the World Bank, the principal financier of the two programs, and which had the support of the IMF, was for a real readjustment of 5 percent, which is above the INPC [National Consumer Price Index]. This forces the government to maintain an inflexibility in this area in facing any emergency. However, the secretary of the SEAP [Economic Association of Friends of the Country], Milton Dallari, believes that "there is room" for that concession without the danger of an artificial containment of prices, which would lead later on to a corrective inflation.

The readjustment of prices of wheat below that which is necessary to eliminate subsidies would mean a new negotiation with the IMF, because there is a formal commitment by the government contained in the 6th letter of intent to withdraw them completely by the end of the year. According to official sources who deal directly with the problem, that commitment is not in itself inflexible because it was already formalized in other documents and subsequently abandoned after negotiations with the Fund.

Those negotiations, furthermore, are underway at this time. Present here once more is Chilean economist Ana Maria Jul for the traditional collection of the numbers indicating compliance with the performance requirements that were established with the government. The economic administration expects that once it has obtained the green light from the IMF for a flexible handling of readjustments of prices administered, the negotiated goal of an annual rate of inflation of 195 percent will not present a substantial deviation.

With respect to the entrepreneurial sector, the statements by representatives of industry and commerce, who in recent days met with the minister of planning in Brasilia and Sao Paulo, indicate that the effort for the containment of prices can be made if in exchange the government makes minor adjustments in the prices of industrial products administered by the state sector.

Government Seeks More Support

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Oct 84 p 34

[Text] Yesterday the government sought more support for the anti-inflationary pact. In a meeting held at FIESP, Special Secretary for Supply and Prices Jose Milton Dallari discussed with businessmen of 15 sectors the possibility of lowering the rates. The industrialists, meanwhile, view the hypothesis that inflation will decline with scepticism. The statement by Dallari that the raising of interest rates is the result and not the cause of inflation,

was considered correct by them but they recall that interest is the "raw material" of industry and has a decisive influence on the structuring of prices.

Dallari informed the industrialists on the government strategy on administered prices. According to the secretary, there will be studies for lowering them providing the sectors affected by the reduction have a decline in their costs.

With that explanation Dallari tried to eliminate the concerns of the industrialists because of the report that Minister Delfim Netto would not be willing to change administered prices. The secretary made it a point to emphasize the willingness of the government to change them to show that the state sector is also willing to cooperate in lowering inflation.

As far as Dallari is concerned, the struggle for reducing rates of inflation is very important and as examples he cited the following numbers: "If inflation is 11 percent and the risk index reaches 2.5 percent, we have 13.5 percent per month, which means 357 percent per year. If inflation were to fall to 8.5 percent and if the risk index were maintained, the annual rate falls to 250 percent. Therefore, every fraction of decline is extremely important."

Readjustments

The industrialists expressed concern, not only on the rates of interest but also with respect to the possibility that the government would "secure" the readjustments and then leave the fight against inflation to the industrial sector alone. The hypothesis of the establishment of goals only for November and the preestablished rate of 8.4 percent for the following month also causes unease.

Dallari asserted that the freedom of prices will continue for all the sectors already encompassed in that policy but that all segments of the economy will participate in the fight against inflation. The strategy is not one for immediate application, he added, and there is no inflation figure forecast for November. "Last year the rate was 8.4 percent in November. Perhaps because of that they have remembered that percentage."

Forecast

According to businessman Eugenio Staub, who took part in the meeting, the meeting had positive effects despite some resistance. He refuted the reports that the businessmen are working with a forecast of inflation of 350 percent for 1985 and he said that despite the resistance of some groups, there was good acceptance of the governments proposal by businessmen.

Staub reported that between Tuesday and Wednesday, a quick poll was made in several sectors with two questions: How much would the increase in prices be? What is the influence of administered prices in those readjustments? The results of the survey was discussed yesterday with Dallari, who asked a reevaluation of the numbers, a proposal accepted by the industrialists. The new figures will be discussed in a meeting to be held tomorrow, probably in Sao Paulo.

8908

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PRESS REPORTAGE ON UPCOMING FOREIGN DEBT RENEGOTIATIONS

No New Money Needed

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Oct 84 p 31

[Text] The Brazilian Government is convinced that it will need no new money from creditor banks for 1985 and that it can, on the other hand, obtain a multiannual renegotiation of the foreign debt of \$69.9 billion payable between 1985 and 1990.

The concern of the economic authorities is that of eliminating the "peak" of the debt between 1986 and 1988, when payment of the principal of the debt should reach \$37.9 billion, with 1987 being the year causing the most concern because in that year the payment should reach \$12.99 billion, not counting interest.

Minister of Planning, Delfim Netto, of Finance, Ernane Galveas, and the president of the Central Bank, Affonso Celso Pastore, also believe that Brazil will gain no advantage from requesting a loan of \$1 billion, for example. Only the failure of negotiations with nearly 800 banks, according to the government, would recommend the acquisition of that loan.

The reasoning by Brazilian economic authorities is that with Brazil obtaining a trade surplus of \$10 billion next year, it will be able to insure handling the balance of payments without the need to use up reserves. As Minister Ernane Galveas has already explained to the press, the input of resources from the multilateral institutions and the guarantee of credits by suppliers will conclude by balancing the country's foreign accounts next year.

There is also no interest by the government in projecting a trade surplus of more than \$10 billion. That should be the "wieldable" surplus; as it gets larger, it is going to have an adverse affect on the fight against inflation. A surplus of \$14 billion--already mentioned by experts of the Secretariat of Planning [SEPLAN]--would bring monetary chaos to the country because the inflow of dollars would mean the expansion of the money supply. In addition, the ministers believe that Brazil should place a limit on exports.

Exports in 1985 should reach \$27 billion, the same level as this year, and imports go from \$14.5 billion to \$17 billion. The private sector increases its imports by \$2.5 billion, while at the same time the state sector continues under an austerity regime.

The important thing for economic authorities is also the multiannual re-negotiation so as to make the future payments on the debt principal linear. Brazil wants to get more or less what Mexico obtained: transfer of the "peak" of the debt to the future.

The total of payments in 1985 reaches \$9.7 billion. In 1986 it will increase to \$12.9 billion and it will decline slightly in 1988 to \$12.1 billion. In 1989 it will be \$9.7 billion and in 1990 it will decline to \$6.4 billion. By refinancing that debt to periods which can range from 10 to 14 years, the debt would acquire a new profile that will facilitate payment. It is also necessary to take into account that at this time the payment of interest should be around \$10 billion.

Negotiations with creditor banks will be initiated in New York by Brazil on 5 November. Brazil will be represented by Central Bank President Affonso Celso Pastore and by the director of the foreign area of the bank, Jose Madeira Serrano.

Lower Prime Rate Expected

The decline in foreign rates of interest should lead the Brazilian Government to revise its initial estimates of the deficit in current accounts of \$4 billion in 1985, which strengthens the position of Brazil of not including new money in the next phase of negotiations of the debt which begins on 5 November. Up until last week, when the prime rate--preferred rate of the U.S. banks--fell from 12.75 percent to 12.5 percent per year and the Bankers Trust reduced its rate to 12.25 percent, technicians in the financial area remained cautious about saying that international interest rates were in an openly declining trend. Now, despite the fact that the president of the Bank of Brazil, Oswaldo Colin, does not believe that foreign interest rates will fall to 10 percent this year, sources of the Central Bank are already considering it possible to work with an average rate of 10.5 percent, or the repetition of the 10.8 percent rate of this year, in 1985.

Next year will begin with the pressure of the average rate of 12.36 percent which existed from last July to September under the contracts which are undergoing a 6-month review during the first quarter. Later, the declining trend initiated on 26 September should benefit subsequent renewals to the point of allowing a projection of an average rate of from 10.5 to 10.8 percent in 1985 for the accumulated debt of \$98.85 billion at the end of the year, according to the last estimates of the Central Bank.

Future of the Debt

Without asking for new money, Brazil intends to obtain a reduction of the spread--risk rate over an above basic interest--accepted up to this year

of 1.875 to 2.125 percent per year and the extra commissions of up to 3 percent of the amount of the operation. The spread of 1.125 percent of the Mexican renegotiation serves as a parameter for Brazil and will mean a gain of around 1 percent per year in 1985. Since the country will ask for a simple rollover of the debt to be paid in coming years, it will not need to pay commissions to the debtor banks.

In operations with private banks, the gross interest rates should be around \$9.7 billion. At an average rate of 10.8 percent on a debt of \$76.12 billion at floating interest rates, the country will pay the bankers interest of \$8.2 billion in 1985, without considering the net amount of the debt in the year. As a result, the gross interest on the debt should remain close to \$11.7 billion, as estimated by the Central Bank for this year, despite the net growth of the debt by \$7.2 billion throughout 1985.

Even with the conservative projection of a trade surplus of \$10 billion in 1985, compared to the \$12 billion surplus this year, the effect of the future decline in the LIBOR and prime rates provides a margin that will allow the forecast of a deficit in current accounts of below \$4 billion for next year. After all, the country is going to be working with an average interest rate in the area of 10 percent in 1985 instead of 12 percent and the difference of 2 percent represents a reduction of \$1.48 billion that will not have to be paid to the bankers.

Differing Viewpoints

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Oct 84 p 38

[Text] What is best for the country's balance of payments in 1985? Will it be the request for new loans from the international financial community; be satisfied with resources existing as reserves; or wait a little longer before defining the plan for renegotiation of the foreign debt, talks on which will begin on the coming 5th of November? The government (Minister of Finance and SEPLAN) asserts that it has already been decided that Brazil will not ask for new money in 1985. The opposition, however, believes that without those resources the growth of the economy will be endangered.

In the midst of the discussions is the president of the Central Bank, Affonso Celso Pastore, saying that it is not yet time to make a decision. As far as he is concerned, the definitive study on the main indicators of the balance of payments will show whether it will be suitable or not to ask for fresh money from the bankers.

Technicians of the economic area have an explanation for the government's intention of not asking for new loans: The reluctance of the bankers, both large and small, because of the proximity in the change in government. This means that as far as wanting is concerned, Brazil wants them, but faced by the reluctance of the bankers, Minister of Finance Ernane Galveas changed the subject after saying the government has the intention of asking for "something around \$3 billion."

That statement was made on the day before the last visit the minister made to the United States. According to informants, however, he encountered a stiff resistance from the principal creditors, who spoke of the enormous difficulty they would have in putting together a new jumbo loan--even though it would be smaller than the last one--without even taking into account the fears of the small and medium banks of increasing their "exposure" with respect to Brazil precisely a few months before a change of government.

According to those technicians--for whom the real intention of the government was to ask for between \$3 billion and \$3.5 billion--the creditors held out the possibility of a quick negotiation involving only projects 2 and 3 (commercial and interbank credits) and with pressure on the Paris Club so that it will make negotiations on the debts payable next year more flexible. Commercial credits would be increased by \$3 or \$4 billion (from \$10 billion to \$14 billion) in 1985 as compensation for the refusal to grant new loans.

Erosion of Reserves

For the economists linked to the opposition, the theory is that economic growth will be endangered next year if the country does not have new foreign money available. This would cause an erosion of reserves, which in net terms total something around \$3 billion. They believe that the country will need around \$6.5 billion in 1985.

They have a mathematical reason for this: With a trade balance of \$10.5 billion, minus the \$4 billion corresponding to the deficit of servicing, Brazil will have \$6.5 billion left, which added to the \$1 billion income forecast from risk investments, will total \$7.5 billion. Considering that financial obligations (interest and amortization) come to \$14 billion, there is a shortage of \$6.5 billion, an amount, which according to the economists of the opposition, cannot be compensated for exclusively with "supplier credits" or by the loans from the IMF, World Bank and the IDB, as is understood by government authorities, who estimate the country's needs for financing the balance of payments in 1985 at \$5.7 billion.

The theory of the government is supported by former Minister of Finance Mario Henrique Simonsen, who states that not even the \$6.5 billion of the jumbo loan negotiated in 1983 was used, it being foreseeable that there will be a carryover of at least \$3 billion for 1985, money which reverted to the international reserves.

New President is Key

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Oct 84 p 38

[Article by A.M. Pimenta Neves: "Creditors Foresee Definitive Renegotiation After the Change in Government"]

[Text] Washington--Two or three months ago, recalls a banker last Friday, speaking to O ESTADO, the large private lenders to Brazil thought of offering the country more or less the same type of "package" they granted Mexico,

consisting of the multiannual rescheduling of amortization, a significant increase in the periods of payment, reduction of the rates of risk (spread) and the elimination of commissions. "However, that I know of, no banker speaks any longer about making a multiannual negotiation with Brazil," commented the source close to the one of the largest banks in the United States.

Some of them talk about doing something in the first 3 months of next year and to reschedule only the 1985 payments. In January, if everything goes normally, Brazil will elect a new president to be sworn in in March. "After that there is going to be a new economic team in the government. Around the middle of next year I suspect the Brazilian government is going to ask the banks for a multiannual rescheduling of payments and a restructuring of interest rates," said the banker.

For him and other bankers, the Brazil of 1985 is a big question mark. A specialist in risks of a large bank is not only uncertain about who the new president will be but is also uncertain--from the point of view of the creditors--as to whether there is any difference between Maluf and Tancredo. "Actually, it cannot be known what type of agreement Tancredo made with the groups which support him and whether he will advocate direct elections soon or not. If he does not advocate them, will the coalition be weakened?" he asked. He believes that as president Tancredo Neves will seek to reactivate the economy and move away from the recommendations of the IMF. As far as Maluf is concerned, he believes that he would be capable of immediately seeking demagogic solutions in view of his unpopularity as a candidate.

As can be seen, the banks did not buy the idea that the change in government does not contain risks for the country's creditors, as has been insinuated by authorities of the present government. This is the impression of high Brazilian representatives in Washington. One of them told newsmen in an informal talk that the banks will not hasten to make any all-encompassing agreement with Brazil as of the first week in November. In the first place, they are truly unsure. In the second place, the Argentine capitulation to the IMF gave the banks greater maneuvering space. "They," said the source, "want to wait and see who is going to be the president and what his economic program will be."

However, despite that, a banker believes that if 1984 was Mexico's year with respect to negotiations of phase 3; next year will be Brazil's year and perhaps that of Argentina. He included Argentina in his forecast of "great stories" of 1985 because he suspects that it will not be able to comply with its agreement with the IMF, although other sources disagree with his analysis.

Burdensome Interest Rates

The problem of Brazil is different than that of Mexico, he said. The difficulties of Brazil are not the result of a "wad" of accumulated installments due in relatively short terms but rather of high interest rates. It is possible, therefore, that 1985 will be the year of restructuring the burden of the interest rates which weigh upon the country. He believes that the

next Brazilian Government will seek to obtain that concession from its creditors. How that would be done, he did not say. In the case of the American banks, depending on the solutions proposed, it could be necessary to make a change in federal regulations.

According to estimates and projections by that large bank, the amount of the interest for Brazil in 1984 is around \$12 billion. In 1985 it will climb to \$13.8 billion; in 1986 it will be \$14.6 billion, \$14.7 billion in 1987, \$14.6 billion in 1988, \$13.7 billion in 1989 and \$13 billion in 1990.

In the estimates of the bank, payments of principal of the debt are estimated at only \$1.2 billion in 1984, since what is owed to the private sector was rescheduled. Payments jump to \$9.6 billion in 1985; \$12.1 billion in 1986; \$12.2 billion in 1987, and decline to \$11.3 billion in 1988, \$8.7 billion in 1989 and \$5.5 billion in 1990.

The bank estimates that Brazil is going to need \$1 billion in new loans in 1985 but its executives do not yet know whether the economic authorities of the country will ask for that amount from the advisory committee headed by William Rhodes when they reinitiate their contacts early next month.

8908

CSO: 3342/25

SEPTEMBER EXPORTS DECLINE, 1985 TRADE BALANCE PROJECTION

IMF Goals Exceeded

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 Oct 84 p 27

[Text] The accumulated total of the Brazilian trade balance up to September has already reached \$9,653,000,000, exceeding the original goal of \$9.1 billion assumed by the country with the IMF and creditor banks, 3 months ahead of time. The new government projection is a trade balance of \$12 billion in 1984. In September the trade balance was \$1,024,000,000, the result of the exports of \$2,263,000,000 and imports of \$1,239,000,000. While exports had a decrease of almost \$250 million compared to August, imports increased by 21 percent, influenced mainly by the purchase of two ships for \$100 million.

Announcing the results of Brazilian foreign trade up to September, the director of CACEX [Foreign Trade Department], Carlos Viacava sought to minimize the "apparent" decline in exports, saying that it is justified by the small number of working days (19 compared to 22 in August) in September, which reduced the capacity for shipping merchandise. At any rate, according to Viacava, Brazil continues to maintain the daily average of exports at \$80 million. With respect to the first 9 months of last year, exports in 1984 have already grown by 23 percent. Of that figure, 4 percent is the result in the increase in prices and 19 percent is the result of the increase in volume of exports. The ratio of exchange, at any rate, is improving. In 1982, for example, Brazil obtained a small exchange revenue from a large volume of exports by comparison with the previous year.

More Imports

Carlos Viacava also pointed out that imports are actually growing, even if it is, in the majority of cases, the result of drawback operations, a system whereby raw materials are purchased abroad for production of manufactured goods destined for export. He said that with the exception of petroleum, the remaining products imported in September registered an increase of 21.23 percent, reaching the figure of \$708 million, compared to \$584 million in September 1983.

Brazilian exports of industrialized products grew 8.57 percent in September if they are compared with the same month in 1983, but they would decline if compared with those of August. In accumulated amounts from January to September, they show a growth of 35.17 percent. To Viacava, that performance made it possible for industrialized products to make up almost two-thirds of the country's exports. Semimanufactured products showed the greatest rate of increase in September. Their sales, which had totaled \$1,269,000,000 by September of 1983, reached \$2,137,000,000 in 1984, an increase of \$868 million, which is a 68.4-percent increase. As in previous months, raw soybean oil remained in the lead, with a trade revenue of \$72 million, followed by chemical lumber paste (\$33 million) and pig iron (\$23 million).

On the other hand, manufactured products exports declined 16.6 percent by comparison with August. Basic products showed a decline of 2.16 percent; raw bean coffee remained in the lead and represented 11.49 percent of the sales total for September. Sales of orange juice declined 79.22 percent with respect to August, but Viacava declared that it is "irrelevant because we have already exported all the juice."

The structure of Brazilian exports in September shows, because of their nature and degree of processing, that the registered value had a participation of \$814 million (35.9 percent) by basic products and \$1,419,000,000 (62.7 percent) by industrialized products in which are contained \$1,158,000,000 in manufactured products (51.17 percent) and \$261 million (11.5 percent) in semimanufactured products. The director of CACEX revealed that forecasts for 1985 indicate a trade balance of \$10.5 billion, the result of \$27.5 billion in exports and \$17 billion in imports.

No 1985 Balance Problems

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 Oct 84 p 24

[Text] Next year the country should not face any problems in the area of trade balance. That is what is declared by CACEX Director Carlos Viacava, who estimates a "conservative" goal for 1985 on the order of \$10 billion to \$10.5 billion in the foreign trade surplus. According to Viacava, such a surplus level is compatible with closing the balance of payments in 1985 "without having to use reserves for that purpose." The CACEX director expressed the belief that exports next year will reach \$27.5 billion "\$500 million or \$600 million above the level forecast for 1984."

It is well to point out, however, that Brazilian exports by last September had reached \$19,991,000,000. Therefore, in order for the accumulated sum to grow to \$27 billion, an average monthly performance of \$2.3 billion will be necessary in October, November and December, a sum greater than the \$1 billion per month foreseen by the government for the last quarter of 1984.

Carlos Viacava attributes "the cautious growth" of exports for 1985 to the extinction of the credit-premium and export subsidies. In his opinion, the sectors which received the greatest negative impact in terms of those factors

would be the petrochemical and iron and steel sectors. The director of CACEX recommends that exporters reduce their costs, improve efficiency and use the drawback mechanisms more. As far as the elimination of subsidies is concerned, Viacava pointed out that it could happen gradually "because of the maintenance of a favorable rate of exchange." He also revealed that the elimination of subsidies this year would mean--in present values--a savings on the order of \$4 billion (equal to 10 trillion cruzeiros). "To establish a parallel, the budget of the Union should show a surplus of 7 trillion cruzeiros in 1984."

Forecasts

Viacava aired some very optimistic forecasts with respect to the Brazilian economy in 1985. In addition to the absence of obstacles in that which concerns the trade balance, he estimates that the end of subsidies will help to contain the state deficit. "It is obvious that with subsidies, exports could reach something around \$33 billion next year," he declares. He discards the hypothesis that the withdrawal of subsidies will become a delayed effect bomb," left to the next government. In his understanding, the positive situation of the economy allows the rollover "without problems" of the balance of payments. "With the house in order, the economy heating up and a deep cut in state spending, it will even be possible to foresee a certain reduction in inflation in 1985," he says.

Referring to the abolishment of the IOF (Financial Operations Tax) for imports, Viacava described it as a distortion that should remain extinct. He said, however, that it is important in fiscal terms because "as a source of collections, although extinct now, it should be replaced by a cut in expenditures or the imposition of some other tax."

Increase in Exports is the Solution for Growth

An increase in exports is the only solution capable of making it possible for Brazil to maintain a sustained growth of its economy. This is the conclusion reached by the participants in the National Seminar on Exchange and Foreign Trade held yesterday in Rio, which also considered the maintenance of the present exchange policy important, a policy with rates of adjustment of the cruzeiro closely linked to inflation.

According to the vice president of the National Association of Investment Banks (ANBID), Antonio Carlos Lembruber, the importance of exports is due to the need for the Brazilian economy to continue growing in order to allow the execution of the program of adjusting the balance of payments and the creation of a work force. However, in order for that to be possible, he advocated some modifications in the exchange policy, which may compensate for the loss of incentives due to the progressive reduction in the credit-premium of the Manufactured Goods Tax (IPI) granted to exporters.

Even considering that the present state in the establishment of a rate of exchange compensates for the loss of subsidies, the ANBID vice president ~~advocate~~ a more precise definition of the export financing plan for next year: "Otherwise, even with that realistic exchange policy, we have the possibility of witnessing a cooling off of those exports."

Despite the fact he acknowledged that the share of exports in the Brazilian economy is relatively small, Lemgruber said that "the repeat of the fantastic performance of the sector in 1984, which should end the year with a growth on the order of 25 percent, should not be expected in 1985." He added, however, that there is a very great expectation that "with an adequate exchange policy and proper incentives, it may be possible to maintain a very rapid growth in coming years."

Lemgruber also discarded the possibility of a maxidevaluation of the cruzeiro despite the need for compensating for the loss of the subsidies of the IPI credit-premium.

8908

CSO: 3342/25

KINGSTON & ST ANDREW COUNCIL CUT; PNP CLAIMS 'POLITICS'

Reasons for Dissolution

Kingston THE DAILY GLEANER in English 17 Oct 84 pp 1, 3

[Text]

The Kingston and St. Andrew Corporation (KSAC), is being dissolved effective tomorrow for a period of two years because of "financial irresponsibility" and "gross mismanagement."

During this two-year period the powers and duties of the Council will be held by the Permanent Secretary of the Ministry of Local Government and some functions of the Corporation will be transferred to ministries with similar functions while contractors will perform other functions, a news release from JAMPRESS said last night.

This is the fourth occasion on which the KSAC is being dissolved. It was first dissolved in 1923 for one year, then in 1930 for another year and again in 1964 for five years. During that last dissolution, two government-appointed Commissioners, Messrs. Eustace Bird and Milton Rodriques, ran the affairs of the Corporation.

The dissolution comes against the background of a call last month by the KSAC Council for the resignation of the Minister. At a meeting on September 10 the Council passed a resolution calling on the Minister of Local Government, the Hon. Neville Lewis, to resign. This followed a letter to the Council from Mr. Lewis advising that he was contracting out the operations of the KSAC's public cleansing department and the markets.

The resolution was passed by 15 PNP Councillors and opposed by eight of the 10 JLP Councillors present. Rural Parish Councils, led by St. Elizabeth, have denounced the call by the KSAC. All Parish Councils are controlled by the JLP.

The JAMPRESS release said:

"The Cabinet has approved the dissolution of the Council of the Kingston & St. Andrew Corporation under Section 237 of the KSAC Act, and the transfer of the powers and duties of the Council and the KSAC to the Permanent Secretary of the Ministry of Local Government for a period of two years.

The submission made to the Cabinet today, October 16, by Local Government Minister, the Hon. Neville Lewis, came as a result of an independent management audit of the Council and KSAC presented to the Prime Minister earlier this year. The audit reported evidence of untenable financial irresponsibility and gross mismanagement and inability to deliver municipal services to the parishes of Kingston & St. Andrew, as a result of which Prime Minister Edward Seaga gave instructions for an alternative system to investigate to provide better services for the residents of the Corporate Area.

Minister Lewis in his proposal to the Cabinet for dissolving the Council reported that prior to the inde-

pendent audit, investigations of the KSAC conducted by his Ministry had found that:

- KSAC's financial accounts were "consistently overdrawn by amounts up to \$5 million."

- No annual financial statements had been made public regarding KSAC budgets since 1976/1977.

- Public cleansing and sanitation services were not being delivered, which created a potential health hazard and an unsightly appearance in the city.

"In effect, this situation stood as a deterrent to economic development and investment both foreign and domestic and a hazard to health especially in areas where food is sold," he said.

A Ministry Paper will be tabled in the House of Representatives along with the Management Audit which will detail all the findings.

The Cabinet decided to transfer some functions of the Corporation to existing ministries that have similar functions:

- Responsibility of Roads and Works under the Parochial Roads Act to the Ministry of Construction

- Responsibility for Public Health to the Ministry of Health

- Responsibility for Poor Relief to the Ministry of Social Security

- Responsibility for Water Sup-

plies to the National Water Commission

- Responsibility for Building, Planning and Development to the Government Town Planner

- Responsibility for the Maxfield Park Childrens' Home to the Ministry of Youth and Community Development

- Responsibility for the Fire Services to the Ministry of Local Government.

Other functions of the Corporation will be dealt with as follows:

To be maintained by service contractors

- Public Cleansing and Sanitation
- Parks, Gardens and Beautification

- Cemeteries

- Markets

- Abattoir

It will now be the function of the Management of the Corporation to monitor the performance of the contractors who are carrying out the services to ensure adequate performance.

The Cabinet decided that the two years should be used to restructure the organisation of the management of the KSAC in order to improve the delivery of effective municipal services.

The dissolution of the Council will be effective as of Thursday, October 18, 1984."

PNP Reaction

Kingston THE DAILY GLEANER in English 18 Oct 84 p 1

[Text]

People's National Party President Michael Manley, has described the Government's decision to dissolve the KSAC for two years as "a cheap political ploy as the government attempts to hold on to power against the will of the people." The action, he said, removed from the over 800,000 persons in the city, their democratic right to choose their elected representatives.

In a statement yesterday, he said the PNP strongly condemned the decision and regarded it as "outrageous" because the first and principal recommendation of the management audit

"is that the KSAC should not be dissolved." He went on:

"This decision effectively removes from the over 800,000 persons in the Corporate Area their democratic right to choose their elected representatives and makes a mockery of the claim to uphold the democratic process."

Mr. Manley said he would be talking at length on the dissolution and other Local Government matters at the PNP forum in Port Antonio today.

Reaction to the Government's decision to dissolve the KSAC also came from the Christian Conscience Movement which raised a number of questions which it said needed to be

answered by the Minister of Local Government. These were — "What arrangements will his Ministry make regarding small contractors?"

What proof will the country have that the Ministries to which the various subjects are transferred will be more efficient to handle those subjects than a restructured KSAC?

Why the Government did not seek to restructure the KSAC along the same lines that they are now restructuring other institutions of Central Government? and, Is there any link between the decision taken and the upcoming Parish Council elections?"

Employee Dissatisfaction

Kingston THE DAILY GLEANER in English 19 Oct 84 p 1

[Text]

Dissolution of the Council of the Kingston and St. Andrew Corporation, announced Tuesday by the Government, became effective yesterday. The powers and duties of the Council and the Corporation were formally assumed by the Permanent Secretary in the Ministry of Local Government, Mr. Edward Miller.

Mr. Miller, presiding over a packed meeting of KSAC heads of departments and employees at the Ministry of Local Government yesterday, said that the Corporation itself continued to exist and would honour its legitimate debts. The cheques of weekly paid workers will be honoured, and employees of the KSAC will retain their jobs for the time being. The KSAC would continue to pay the salaries of its employees.

Mr. Miller further said that when workers were transferred from the KSAC to the government ministries they would enjoy the same privileges as Ministry workers.

Most employees however were not satisfied with the Permanent Secretary's answer. Many of them

voiced the opinion that they had no idea of the Ministry in which they would be placed, or even if they would still have their jobs. The only response which the Permanent Secretary gave was that the departments would be restructured and that, as the Government had issued a 'no appointment' and 'no promotion' freeze on the KSAC, some of the workers would have to be made redundant.

Some of the employees said that they were afraid of being used as "foot stools" for the Government when the transfer of KSAC departments to government ministries took effect.

Other persons at the meeting expressed displeasure that the Town Clerk, Mr. Philip S. Duncan, whom they said, was the channel through which they communicated, had not been informed about the dissolution.

A sense of uncertainty still hung after the meeting as most workers were unsure of their future status within the KSAC departments. Another meeting is to be held sometime in the near future in an attempt to clarify other areas of uncertainty which employees of the KSAC are experiencing.

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MINISTER PUTS GANJA ONUS ON U.S. IN TALK WITH PRESS

Kingston THE DAILY GLEANER in English 22 Oct 84 p 1

[Text]

NEW YORK, Oct 21, Cana:

A JAMAICA GOVERNMENT minister has said here that American interests are playing a key role in the illegal marijuana trade between the Caribbean island and the the United States, a controversial issue between Washington and Kingston.

"One tends to suggest that Jamaica is growing marijuana, exporting it to this country, corrupting this country with its illegal drugs. The fact of the matter is it's quite the reverse," Oswald Harding, minister without portfolio in the Foreign Ministry, told reporters.

"American interests...have been corrupting Jamaican people to grow marijuana on their behalf. It is American people who have infiltrated our airspace.

"The unlicensed and unauthorised aircraft are American-registered, are owned or operated out of the United States (and) are coming to Jamaica, crashing in Jamaica and doing us a great deal of problems.

Harding, who heads the Jamaica National Council against for drug abuse, said there was "much cooperation" between the U.S and Jamaican governments to stamp out the problem.

Government, he added, was "very deeply concerned" about the impact marijuana was having on the society

but doesn't have the capacity to deal with drug-related problems.

"...we dont have the rehabilitation centres and that sort of thing you find in the developed countries. We are deeply concerned about the drug problem as a Jamaican problem and that is the reason why we are doing everything possible to deal with it," Harding said.

Jamaica is regarded as a major international producer of marijuana, the bulk of which is consumed in America.

CSO: 3298/127

PROVISIONS OF NEW LAW ON ILLEGAL AIR STRIPS REVIEWED

Kingston THE DAILY GLEANER in English 13 Oct 84 p 1

[Text]

Tough penalties for landing on illegal airstrips and unlawful use of illicit aerodromes came into effect yesterday with the signing on Monday of the Bill to amend the Civil Aviation Act by the Governor General, the Most Hon. Sir Florizel Glasspole.

The Bill was recently passed by the House of Representatives and the Senate, following fine-tuning by a Joint Select Committee of Parliament.

Substantial increases in the maximum penalties for offences against the regulations have been provided in the Bill for breaches of the regulations if offenders are convicted before the Resident Magistrate's Court or the Circuit Court.

Conviction before a Resident Magistrate attracts a fine of \$20,000 or imprisonment with or without hard labour for a term of three years or to both such fine and imprisonment; or to, in the case of conviction before a Circuit Court, a fine of \$100,000 or imprisonment with or without hard labour for a term of five years, or to both such fine and imprisonment.

However, in either case where the offence relates to the illegal landing or illegal take off of an aircraft, the fine may be of a higher sum not exceeding three times the aggregate value of the aircraft, its engines, accessories and equipment.

Provisions have also been made for increases in the respective maximum penalties for "trespass" on aerodromes and for "dangerous flying," broadened to include aircraft flown "in a manner likely to endanger other aircraft."

Power has been granted to enable the Minister to provide for the seizure, forfeiture, use and disposal of aircraft which land or take-off at any place in Jamaica other

than a place designated or notified by him for the purpose, or which fly in a prohibited area; to authorise the taking of steps (including destroying where necessary) to prevent any place in Jamaica being used illegally for the landing or take-off of aircraft; and to prohibit the construction and operation of aerodromes without his approval.

The crew and other occupants of aircraft which land or take off without permission at an aerodrome close to air traffic would be prosecuted for trespass which carries a maximum fine of \$20,000.

In making the announcement of the Bill being officially enacted the Minister of Public Utilities and Transport, the Hon. Pearnel Charles, praised the work done by the joint select committee of the Senate and of the House of Representatives appointed to study the Bill.

He recalled the many fine and constructive contributions made by members of both Houses during its passage through the House and the Senate. He thanked the officials responsible for drafting the Bill and who subsequently gave effect to the many valuable suggestions for its improvement made by members of the joint select committee and others, including the public.

During debate on the Bill in both Houses of Parliament, it was pointed out that airstrips were used to traffic illegal goods such as guns, dogs infested with rabies and drugs such as cocaine and marijuana.

Efforts to destroy illegal airstrips had been underway, it was reported; however, as soon as an illegal airstrip was demolished, it was repaved and in use again.

POLL FINDS PUBLIC DISAGREES WITH TAX ON GANJA DEALERS

Kingston THE SUNDAY GLEANER in English 21 Oct 84 p 2

[Text]

The September 1984 Stone Poll found that Jamaican opinion divided very sharply over the issue of the Government imposing \$117 million of taxes on 28 ganja dealers.

54% of the public interviewed disagreed with the tax move while a large minority of 41% supported the government.

The major reason for opposing the move was the consistently expressed view that since ganja dealing is illegal, the earning from it ought not to be taxed. Some expressed the fear that by taxing it the government appears to be legalising the trade.

Other positions opposed to the move include feelings that the

country is already heavily taxed, that it amounts to harassment of the ganja trade and that the ganja dealers should be left alone to earn valuable foreign exchange.

Opinions supportive of the government took the view that the country needs the revenue, that these dealers make a lot of money and should properly share a bigger share of paying taxes and that the country is short of revenue to meet important public expenditure.

Opinions on the issue tend to divide along party lines. PNP supporters show a 64% level of disagreement with the tax move while JLP supporters reflect an opposite 73% support for the tax measure.

NOTE: The September 1984 Stone Poll was carried out by Professor Carl Stone under the sponsorship of the Daily Gleaner's management over the period September 13-21, 1984. The sample includes 928 persons (18 years and over) and was spread over 48 areas across the island. The sample error is estimated at — or + 5%. This is the first Stone Poll being done for 1984.

CSO: 3298/127

KILLING OF POLICE OFFICERS SPARKS BROAD SECURITY CONCERNS

Spaulding Remarks

Kingston THE SUNDAY GLEANER in English 14 Oct 84 pp 1, 2

[Text]

The Minister of National Security, the Hon. Winston Spaulding has described the slaying of three policemen in less than three weeks as matters of the "gravest concern" for national security.

In a statement yesterday which referred to "the vicious killing of yet another policeman," Sgt. Albert Baker, Mr. Spaulding criticised the People's National Party for making allegations against the Police which he said could only have the effect of demoralising the soldiers and the police in inciting hostility and malice against them.

He said that, though a State of Emergency was not a subject of discussion by the Government, the actions of persons behind and involved in the promotion of certain criminal acts would help to determine the nature and extent of the measures Government would use to protect the security of the nation.

Mr. Spaulding said: "The vicious killing of yet another policeman Sgt. Albert Baker and the wounding of Special Constable Phillip Spaulding by gunmen come in a week in which we have had to bury Constable George Brown who was slain recently and on the day preceeding the funeral of Actg. Corporal Herman Williams who was slain just days ago by a terrorist gunman acting in conspiracy with others connected with the Wareika Hill left wing alliance.

"These killings are not matters for mere regret and condemnation. They are matters of the gravest concern for our national security.

"The police high command has been making a very careful study of certain patterns involved in these vicious murders taking place and the evidence points to very sinister mo-

tives which go beyond mere confrontation between the Police and criminal elements in some cases. The results of this in-depth research is far advanced and will be presented shortly.

"I have seen a PNP statement given to the Police yesterday making all kinds of allegations against the Police. At this time when the Police need the support of the entire law-abiding country, it is regrettable that the PNP persists in making ill-timed, ill-advised and false statements which can only have the effect of demoralising the soldiers and the Police in inciting hostility and malice against them. This PNP strategy is consistent. It is very significant that they are only vocal after stepped-up security initiatives are taken against the Wareika Hills terrorists, then false statements are made with indecent haste. We take note of this technique being employed by the PNP and their assorted friends.

"In July the PNP in attacking joint/military police action in the Wareika Hills accused the security forces of a number of atrocities including the forced stripping of three young women and instructing young men to sexually assault them. These allegations have been thoroughly investigated by the Police and the Military and have not in any way been substantiated. But the damage was done.

"In August the PNP opposed the establishing of a military camp in the Wareika Hills on the absurd basis that occupation by the Military instead of the criminal gunmen would be damaging to a section of the country's economy.

"In September the PNP attacked me in my capacity as Minister of

National Security for conducting a tour with members of the Police High Command in the Wareika Hills.

"The party accused this team of leading a mob there because on that occasion I gave directions for the immediate establishment of a police/military post to occupy an area under the control of gunmen who used that as one of the bases for terrorising the community.

"Earlier this year I had to comment on a PNP statement accusing the Government of defrauding JDF soldiers of money falsely alleged by the PNP to have been given by the United States to pay these soldiers who are serving in Grenada. This caused great disaffection among some of the soldiers causing senior officers to have to set the records straight. This was false but damage had been done.

"Just days ago I had to again comment on yet another piece of PNP propaganda that the Denham Town Police Station was put under siege and that telephone lines were cut. This again caused great anxiety among policemen some of whom had believed the falsehood. This was false but damage had already been done. This clearly shows a pattern of deeply motivated irresponsibility on the part of the PNP.

"Now that these initiatives are being further strengthened and are having considerable impact in those communities there is yet another PNP release making yet another round of allegations. What is the reason for these games being played with national security?

"All allegations of Police misbehaviour will be investigated whether made sincerely or with malicious intent.

"However, I wish to assure the country that no amount of mischief will stop the necessary and legitimate activities of the security forces in these troubled areas.

"There are elements in the country who may interpret my statement that a State of Emergency was not the subject of discussion by Government at this time to mean that the persons behind and involved in the promotion of certain disturbing criminal acts can step up their activities with boldness. I ask them not to so interpret that statement since their actions will help to determine the nature and extent of the measures Government will use to protect the security of this nation.

"I make a special appeal to all law-abiding Jamaicans to support the legitimate work at the security force particularly at this time."

A PNP release on

Friday outlined what Party spokesman on National Security, Mr. K.D. Knight said was "brazen attacks" by a group of political gunmen along with a special squad of policemen on a number of communities in the constituencies of East Kingston, East Central Kingston, West Central Kingston, South East St. Andrew and East St. Andrew.

He said the gang of terrorists were well known to the Police and nothing had been done; reports have been made to the local Police stations but attempts to deal with the situation had been thwarted; there was a squad of policemen engaging in brutality who did not come under the jurisdiction of their immediate senior officers; citizens had been held and taken into known hostile JLP areas where they had been beaten; and the Commissioner of Police had treated these matters with scant regard.

The Member of Parliament of West Central Kingston, Mr. Derrick Smith, reacting to the killing of Sgt. Baker, said he was "shocked and grieved" at the slaying and extended condolence to family and friends.

He said he hoped that the perpetrators of "this brutal slaying" would be brought to justice quickly.

Call for National Committee

Kingston THE DAILY GLEANER in English 19 Oct 84 p 8

[Editorial]

[Text]

The police are under siege by the criminal classes. In the first ten months of this year, some 16 policemen have been killed by criminals, and another was shot over last week-end while playing dominoes at his home. It is difficult to escape the conclusion that the police have become targets for criminal classes who are being co-ordinated and organised.

There are some who are critical of the police taking the law into their own hands by shooting and killing men either caught in the act of crime or men suspected to be about to commit crime. When policemen kill instead of arrest, then obviously the society must be alarmed; but the society must be more than alarmed when policemen who represent the society become targets for criminal classes, and are wiped out mercilessly and ruthlessly.

The contempt with which the police are held, and hence the society is held by some, has been illustrated by the fact that the 15-year-old schoolboy who killed policeman Williams was given a hero's funeral on Sunday, October 14 the same day that policeman Williams was being buried. As it has come to us, the 15-year-old schoolboy was given a gun salute at the church where the funeral serv-

ice took place; and then a long procession of cars and minibuses, some of them new and expensive, was seen travelling out to Dovecot cemetery where he was buried.

We note that citizens in different parts of the country have been taking the law into their own hands, claiming that they are encouraged to do so by the relative failure of the courts to convict those who have been caught and tried. But the courts cannot be blamed for this. In the general breakdown of the system of justice, witnesses are intimidated and do not turn up and the scales tend to be balanced on the side of the defence. But this should not justify a flight from the rule of law.

We again make the suggestion to the Minister of National Security that a National Committee on crime should be set up including the Private Sector and the two major political parties to advise and help with the campaign against the criminals, which should be waged relentlessly, in the interest of fairness, security and justice for all.

We record our deep sorrow at the death of the 16 officers shot down in the line of duty.

Police Force Shake-Up

Kingston THE DAILY GLEANER in English 24 Oct 84 pp 1, 3

[Text]

Three Assistant Superintendents of Police and an Inspector have been retired early, and seven

Acting Corporals and Constables dismissed since August 1, as the Police Force tries to improve its

image and credibility, Commissioner Joe Williams told the **Gleaner** yesterday.

Commissioner Williams described as "a downright and mischievous lie," a **Star** report yesterday that "scores of policemen are being dismissed," and that first dismissal notices were sent out last week and more were being issued.

He said seven Acting Corporals and Constables were not permitted to re-enlist for another five-year term because of their record.

Three Assistant Superintendents and an Inspector had been retired "in the public interest, in accordance with Regulations."

Commissioner Williams, who re-

cently spoke of cleaning-up the Constabulary, said he would not call the dismissals and forced retirement of officers as a "purge."

He said: "It is to improve the quality of the men so the public can have more credibility in the Police Force, so that we have a better quality of men in the Force, so that the public will have more confidence in the Force."

"We are trying to preserve the credibility of the Force...that is all we are trying to do."

Commissioner Williams said the policemen affected had "time to appeal."

He said the **Star** report of 37 men from Mobile Reserve being dismissed was a lie; when re-enlistment time came up, assessment had to be made, and each case was carefully considered.

Extent of Threat

Kingston THE DAILY GLEANER in English 24 Oct 84 p 8

[Article by Carl Stone]

[Text] THE RECENT wave of robberies, murders, gun violence and assassinations of police officers has left many of us with deep fears about the security of this country.

An experienced police officer tells me that the balance of gun powder has shifted in recent months against the police and in favour of the gunmen due to the importation of large quantities of high powdered weapons. The gunmen, he says, are no longer running away from the police. They are shooting back with confidence, knowing that more often than not they can match and in some cases exceed police fire power.

Where did these guns come from? Who have them? What are we doing about the problem?

Instead of action what we are getting are petty political debates between Mr. Manley and Minister Spaulding as they level accusations at each other. One would have thought that our leaders would learn a lesson or two from their mistakes in the 1970's, when the security of our country was endangered because it became a political football at the expense of citizens and the police and to the greater glory of the gunmen.

It is a mischievous distortion for the PNP to treat with these important security matters as if the only problem was their claim that the JLP is manipulating the police and using it to harass PNP communities. It is sheer fantasy for Mr. Spaulding to talk as if the only problem here is the connec-

tion between marxist radicals and guns and alleged plots to subvert the country.

It is time that our leaders stop fooling around and begin dealing with this problem seriously.

Hiring out guns

People who know their way around the underworld tell me that if you have \$1,000 you can get an M-16 to buy. There is such a surplus of guns out there that a thriving gun running trade has developed and some profit minded thugs are even hiring out guns at a price.

Many citizens believe that private armies are being created in preparation for the next elections. As a result the mood of the country is shadowed by great fears of a re-excalation of political violence.

The attacks on the police and confidence with which gunmen are now robbing and looting, suggest what is happening is not just an increase in crime, but a challenge to the security forces as to who controls the streets and who has the fire power to determine the country's future.

It is bad enough that our citizens have had to weather economic storms that are making it difficult for most of us to continue surviving with dignity. But to add to that a climate in which gunmen once more take over streets and our homes and our business establishments to raise doubts about whether our politics contaminated as

it is with the gun, has any future.

The clock-work precision with which the gunmen are operating is frightening as is the boldness with which they strike. Last week both the New Kingston Drive In theatre and the Harbour View Drive in theatre were robbed of at least \$40,000 to \$50,000 at about the same time on Tuesday morning after the holiday week-end.

Unless the balance of fire power is restored in favour of the police, this could well be the beginnings of criminal terrorism on a scale we have not yet seen in this country.

But how come we have been so careless in allowing so many guns to come in? Is it that there are people in high places who are involved in the gun-running or are implicated in the building of these private armies?

The ganja trade is of course involved here as some of the New York based Jamaican ganja mafia have been sending back high powered guns for the friends and connections over here. But that is part of what seems to be a more complex pattern of weapons imports that threaten this country future.

Politicians and political parties (be they government or opposition) who cannot help to promote citizen's security and law and order and are suspected by many of being implicated in the fostering of political gunmen cannot expect to retain public confidence or respect from those citizens. Citizens are going to begin to ask whether what we need are not some new leaders who can clean up this mess once and for all. Leaders who play politics with security run the risk of discrediting the very system of government of which they are a part.

If the balance of power continues to shift in favour of the gunmen, our future is going to be an option between open anarchy or rule by anyone strong enough to pacify the gunmen by naked force or fascist methods. Democracy will have no place in such a future.

The issue

What is at issue here are not petty JLP-PNP political issues but the very future of our democracy and our society.

Do our political leaders not understand how close we are to that precipice of disorder beyond which there is no recovery?

The people want peace, but we are being held at gunpoint by organised terrorists.

The public has no choice but to support our security forces in legitimate efforts to rid the society of these terrorists.

It will help a great deal if our politicians stop the silly quarrelling and join forces and speak with one voice in tackling this grave problem.

BRIEFS

RISE IN AVIATION FEES--A wide range of fees for services and documents from the Civil Aviation Department have been increased substantially on an order signed by the Minister of Public Utilities and Transport, the Hon. Pearnel Charles. The new rates, some of which have been hiked 1,000 per cent over the 1961 levels, according to a ministry spokesman, will take effect on Monday. The new fees for technical examination range between \$20 and \$50; granting of licences between \$20 and \$200 and renewal of licences, \$50. Fees for the certificate of registration of an aircraft will be \$100; for probes in respect of application for permit to fly, a maximum of \$400, while the permit will cost \$25; certificate of airworthiness range from \$150 to \$600 depending on the weight of the aircraft; and for the approval of engines, depending on the power output, the fees range from \$20,000 to \$35,000. Licence fee for an aircraft engineer has been increased to \$135; for official flying test, \$210; and for the grant or renewal of licence, including official inspection of aerodrome, \$100, while for official inspection of the aerodrome not followed by the grant or renewal of licence, \$500. [Excerpt] [Kingston THE DAILY GLEANER in English 13 Oct 84 pp 1, 3]

ID CARD SNAG--THE distribution of voter identification cards has hit a snag. Approximately 40% of the electors, according to an official estimate, are unable to produce their certificates of enumeration which are required before the identification cards can be handed over. A spokesman for the Electoral Office has said that while nothing definite could be said until after a survey on the situation has been completed this week-end, the problem could delay the completion of the distribution exercise until at least, late December. In another development the Electoral Office has detected 3,400 duplications in the registration of voters. A list of the names of the persons involved is to be sent to the Director of Public Prosecution. The problem worrying the Electoral Office at present is how will Returning Officers be able to deal with the large numbers of persons who cannot produce the certificates, estimated to be close to 400,000; as well as persons who have removed. The Office said that when the survey is completed this week-end, the exact numbers of these persons will be available and it would be in a better position to propose a system of how to deal with the problem. [Excerpts] [Kingston THE DAILY GLEANER in English 20 Oct 84 p 1]

CSO: 3298/128

PSUM HOLDS NATIONAL PARTY ORGANIZATION CONFERENCE

Deputies Withholding Stipends Suspended

Mexico City ASI ES in Spanish No 118, 31 Aug 84 p 15

[Article by Eduardo del Castillo: "Building a Mass Party"]

[Text] On 16, 17 and 18 August, Mexico City hosted the National Organization Conference of the Unified Socialist Party of Mexico with the participation of 212 of the 331 possible leaders, equivalent to 63.7 percent. The Central Committee of the PSUM was represented by 52 members, along with 27 secretaries general of the PSUM in the states and 119 secretaries general from municipal or delegation committee. A total of 65 comrades spoke during the debates, each limited to 10 minutes.

Work of the Unified Socialists began at 1900 hours on 16 August, when delegates opened the session with the national anthem. Seated on the rostrum were the members of the Central Committee who would preside over the conference. In the background were the flags of Mexico and the PSUM.

Following the singing of the national anthem, Sabino Hernandez Tellez, head of the organization area of the Central Committee, presented the report of the political committee to the National Organization Conference. Sabino revealed the number of members the party now has: 63,312, double that registered at the First Congress of the PSUM. Over half of all Unified Socialists are salaried workers and farmers, while 27.5 percent are women. (The complete report will be published in its entirety in the next issue of ASI ES.)

Pablo Gomez, secretary general of the PSUM, then spoke to the delegates: "Today we have come to this assembly to discuss our organizational problems, that is, how to continue the merger we began on 6 November 1981. The purpose of this discussion is to train us to double our political struggle, our ties to the working people, the building of the socialist mass party" (see complete address in this same issue).

Following the speech by the secretary general of the PSUM, the proposed bylaws that would govern the conference were read and unanimously approved following a number of proposals. A resolutions committee made up of 22 members -- mainly from the Central Committee and secretaries general of the states -- was then formed to discuss and incorporate additional proposals, modifications or substitutions in proposed resolutions for the National Organization Conference presented by the Central Committee.

Doubling Number of Members

The National Organization Conference benefited from the presence of members from 30 entities, all leaders elected by the rank and file of the different bodies throughout the country. In addition, some 50 guests attended with the right to vote.

Debate began on 17 August based on the document presented by the political committee to the conference, but enriched, as intended, by the experiences and resolutions emanating from the 28 state conferences held throughout the country in preceding weeks. In this way, the speakers referred, not only to the most general problems of party organization and construction, but rather, to the daily challenges faced by Unified Socialists in the states, municipalities and specific struggles in the mass movement.

One of the issues persistently brought up by delegates had to do with the very unity that must be sustained through democratic participation of all opinion groups making up the PSUM. It was repeatedly emphasized that a diversity of concepts of PSUM members with respect to socialism, party construction, working methods and ideological problems should not be any obstacle to the unified action of all members in specific struggles and in the face of political circumstances that occur.

Another issue insistently brought up concerned party growth so as to make it a great mass organization with increasing participation of blue-collar workers, farmers and workers in general. It was proposed at the National Conference that in the period of one year, it is possible to double the membership of the PSUM and thereby be in a better position to participate in the national political confrontation, on all levels and in all spheres, and at the same time, enjoy the organic capacity to disseminate revolutionary influence in a country of 70 million inhabitants.

To growth proposals, the speakers added the need for organized operation of the party, meaning systematic discussion, drafting and implementation of agreements based on rank-and-file organs, along with the formation of stable, effective leadership cores. The revolutionary, mass party that is essential to face the PRI and PAN [National Action Party] requires a strong organization and the continuing coordination of all levels.

The former also points to another basic need, as emphasized by many delegates, to promote the democratic nature of the party, with all that implies with respect to freedom of criticism and opinion, participation in decision-making and access to leadership posts. However, members are also obliged to respect all accords arising out of the PSUM (through a consensus or majority decision).

Unity of Action

Unity of action was presented by delegates as the indispensable requirement that shapes the party in political, trade union, farm and labor struggles. Without unified action, the PSUM loses its image as an organization and its influence is diluted. The party must basically be characterized by concerted action on its program and principles. It was also emphasized that unified action can in no way be affected by differences of opinion or views that might exist

within the party. Rather, it must obey the watchwords determined by a majority at any given time.

Another issue brought up by a number of speakers related to the proposal that the PSUM should accept the existence of organized factions and their right to representation in leadership posts. At any rate, this is a matter open for discussion.

Regarding the party's position in elections and especially the federal elections of 1985, many views were expressed shaping a more formal conception that finally prevailed: recognizing that the 1984-1985 election campaign will be a wide-ranging political confrontation that will distinguish itself as a mass movement. Consequently, delegates to the conference deemed it indispensable to give consideration to all technical and organizational details enabling the PSUM to engage in broad political maneuvers -- and alliances -- during the election campaign and resolutely defend the vote cast by the people, mainly in behalf of the PSUM and the left. It was emphasized that the election participation of the PSUM in 1984-1985 will require an additional effort of militants since that fight cannot underestimate the participation of Unified Socialists in other movements and fronts. Furthermore, in the best case, their fights may all lead in the same direction.

Separation of Deputies

When speaker No 65 finished speaking, the assembly decided to suspend addresses, which had taken up Friday the 17th and lasted until the night of Saturday the 18th. The resolutions committee then informed delegates about the incorporation of a large number of proposals presented in writing by delegates into the documents discussed at the conference. The draft resolution of the Central Committee and the report of the political committee of the Central Committee were approved by a majority with 5 votes against.

Several special resolutions were then immediately approved, including the demand to release Rosalia Ramos, PSUM candidate in Naucalpan who has been unjustly imprisoned. Another resolution that gave rise to broad debate was the one condemning the attitude of the five federal deputies (and local councilmen and deputies) who have retained the compensation that by statute goes to the party. The second part of this resolution, approved by a vote of 86 to 64, consists of asking the political commission to separate from the parliamentary group deputies Edmundo Jardon, Pedro Bonilla, Florentino Jaimes and Daniel Angel Sanchez Perez, "which will be valid as long as the deputies retain the stipends and do not turn the warrants over to the party."

It should be noted that many state conferences had agreed to contest the retention of stipends by the aforementioned federal deputies of the PSUM. These resolutions ranged from a severe reprimand to the deputies to rectify their attitude to a demand for their expulsion for the misappropriation of funds. The decision is an intermediary solution giving the deputies a chance to reconsider their action and correct it, as several speakers said, barring the way to future problems of this nature.

It was nearly 2300 hours before the Unified Socialists concluded their work at the National Organization Conference. Pablo Gomez gave a brief closing address

in which he emphasized that "neither the standards nor the leaders are for life" in the PSUM. He summoned delegates to improve the party's capacity for action with the masses and to "bring the masses into the party." Gomez said that the fighting nature and opposition of the party to the government are what daily dominate the political action of the PSUM. Finally, he called on the party to unite once more to fulfill the historical commitment it has to the people.

Just as work had begun with the singing of the national anthem, the delegates to the National Organization Conference closed their session by singing the "International," which was followed only by its echo, murmuring and farewells among delegates from throughout the country. Each member will take to his own area of struggle the commitment to build and organize the party.

Details of Stipend Debate

Mexico City ASI ES in Spanish No 118, 31 Aug 84 p 16

[Article by Hector Delgado: "The PSUM: An Organized Party, Not a Paper Tiger"]

[Text] The final session of this most important political event of the PSUM began on Saturday, 18 August, at 1715 hours. The enormously long list of 91 speakers, based on an agreement between the presiding officer concerning priority given to secretaries general of the state committees, members of the Central Committee and commission members, caused it to be shortened somewhat, in addition to depending on the time when the resolutions committee (previously formed and meeting in special session since the morning) would return to the plenary assembly with its report. The committee returned at about 2000 hours. By that time, the assembly, whose closing session was presided over by comrade Rolando Cordera Campos, coordinator of the parliamentary group, had heard nearly 20 comrades, each of whom had been allotted the regulation 10 minutes.

A three-hour debate then took place, with all shades of opinion existing in the party. Presiding officer Cordera asked whether "the issue has been sufficiently discussed" and the response was positive. The possibility of a recess was rejected and the session continued.

Audomar Ahumada Quintero, secretary general of Sinaloa, was responsible for reading the resolutions and proposals arising throughout the debate of the respective item on the agenda and also pointed out each of the committee's accords. Presiding officer Rolando Cordera took the votes, which were all marked by an overwhelming majority.

At the conclusion of the resolutions, Ahumada said that the secretary general of the state committee from Durango, comrade Francisco Javier Pizarro Chavez (member of the Central Committee), had been asked to draft a proposed resolution based on several proposals made by state conferences from individual comrades concerning the problem of the five deputies refusing to turn over stipends. The following was read: "A declaration is to be issued condemning the attitude of the five deputies who have retained their stipends, as well as the warrant stipulating that it be the finance officer of the Central Committee who is to collect these stipends."

The second part consisted in their "immediate suspension by the political committee of the parliamentary group." This statement was later amended to read "until they return their stipends and the warrant to the finance officer."

The proposal gave rise to a significant debate with speeches for and against its approval. There was a consensus among the hundreds of delegates on overall approval. The presiding officer noted that the proposal should be divided into two parts, the first being the condemnation and the second their separation from the parliamentary group of the PSUM of the four deputies.

It was specified that Raul Rea Carvajalhad, according to the report submitted to the finance officer, pledged to hand over his power of attorney to the party and consequently, the clarification stated, should not be involved in the resolution.

It was a heated debate with a little of everything included. Participating against the proposal were Pablo Gomez, Cesar Navarro and Rolando Cordera (who, as presiding officer, stressed the possibility of exceeding the statutes), while the proposal was supported by Ramon Sosamontes, Francisco Javier Pizarro and Antonio Becerra in particular. The first part was unanimously approved and a new list of speakers spoke on the second.

Inasmuch as the debate made no headway, the assembly finally voted to approve the original proposal, meaning suspension from the parliamentary group of deputies Edmundo Jardon, Florentino Jaimes, Daniel Angel Sanchez Perez and Pedro Bonilla, with a tally of 86 to 67.

Gerardo Unzueta (in the absence of the presiding officer) gave the floor to the secretary general of the Central Committee, comrade Pablo Gomez Alvarez, who was to close the National Organization Conference. Gomez delivered a passionate extemporaneous address before closing the session. He noted that "we shall soon face the possibility of having another party, after 50 years of internal struggles in the left.... Likewise, we are responsible for over 20 years of backing the fights of many comrades who went to prison, even dying, and who stood firm on their ideals."

The secretary general continued that "the struggle now enables us to propose creating a great party, but we are not always consistent."

In another portion of his address, he said that "narrow sectarianism and intolerance still persist. There are group interests (but) we are emerging from many years of group existence. If we are revolutionary, we must discard the most negative aspects of our tradition."

Throughout the 30 minutes of his address before an interested and respectful audience, despite fatigue -- at nearly 2300 hours -- the secretary general said that "there is no fatigue in this party...but rather, a revolutionary meaning and opposition. The most seasoned men (of the revolutionary struggle of Mexico) are in the PSUM. They resisted prison and repression. Their attitude has even been heroic. There can be no party without men of flesh and blood. In the fight over ideas in the PSUM, even the most sectarian comrade is respected. We do not take a provincial position on the struggle."

In response to the mercenary press campaign recently suffered by the PSUM, Gomez Alvarez stated that "there are neither standards nor programs nor leaders who last forever. The Mexican people do not want monolithism or organizations in which there is discrimination and manipulation. This was revealed in 1958, 1959 and 1968. Ten years later, the people began to harvest the fruits of their own rebellion. What we have discussed during these three days has been to continue being consistent with this. The PSUM has to be an organized party, not a paper tiger. In the end, the purpose of all our discussions is to increase our action with the masses. I believe that we are a strong, independent and combative opposition party. We must continue to develop this PSUM."

General Resolution

Mexico City ASI ES in Spanish No 119, 14 Sep 84 pp 15-20

[General Resolution of Unified Socialist Party of Mexico National Conference on Party Organization; Mexico, D. F., 18 August]

[Text] 1 -- Organization to Build a Mass Socialist Alternative

The National Conference on Organization of the Unified Socialist Party of Mexico took up fundamental problems of its own construction: the types, methods and nature of internal party structure; ties between party members and organs and leadership organs; ways of developing unity, all for the purpose of increasing the political influence of the PSUM in national life, extending its relations with workers and all Mexican society and turning the socialist alternative into a mass project. In this way, the party will be able to make a better contribution to shaping the movement and making progress in the historic task of uniting democratic and leftist forces.

The discussion of organic problems of the PSUM did not emerge solely from the need to sum up the experience of over two years of life, which is important, but rather, from the most immediate political demands as well, demands requiring broader and more effective intervention by the party in the current political struggle.

The crisis in which the country now finds itself is sharpening social contradictions and intensifying the discontent of the great masses. A major political confrontation is brewing and will take on even greater strength during the 1985 elections.

Consequently, next year represents a great challenge to the PSUM and the entire left of our country, which demands that our party begin now to make a systematic effort to extend its organization and influence in order to solidify and broaden, through its intervention, the presence of socialism as one of the forces participating in the arena with its own image and a well-defined proposal of an economic and political alternative. Our organization needs to seek out a better way to go into the 1985 elections with the most solid unity, projecting to the entire national sphere the image of an integrated, democratic party. At the same time, the party must promote its influence through the dissemination of its program, its participation in mass organizations and movements, struggling to channel social discontent caused by the crisis toward the defeat of the government's economic and social policies and democratization of the country.

2 -- Fight for Socialism Requires a Revolutionary Workers Party

The organization policy of the Unified Socialist Party of Mexico in this period is guided by the goal of contributing to the practical achievement of criteria that served as a basis for its formation, those expressed in its founding documents: the Statement of Principles, the Program of Action and the statutes.

The PSUM is an original experiment, an effort to unite in a single organization members from parties and movements that have represented different trends within a common conception based on scientific socialism, which gives it its diverse nature.

Its point of departure is the recognition that the fight for socialism demands not only a collectively adopted general program or concerted action by these different socialist trends, but rather, an organized, coherent expression giving unity to the objective and methods, meaning a revolutionary workers party.

The consolidation and development of the PSUM basically depend on a profound understanding of this characteristic of its construction, which is derived from the experience of revolutionary socialists of our country throughout their long effort to build a new leadership force of the working class and all urban and rural workers. Consolidation of the PSUM and its development as a real force having the indispensable conditions to fight for power are achieved to a great extent in drafting policy to the extent that party members do not lose sight of the party's diverse nature and, in daily life, proceed as a unified organization. This is a prime criterion of organization tasks.

In this sense, it is important to outline the phase in which the PSUM now finds itself. We are going through the initial period of party construction, when its basic definitions and accords have not yet acquired full and effective consolidation, which must be taken into account in all the leadership work of national and local organs and the application of organizational tasks.

This is singularly related to the training and formation of the leadership nuclei of the PSUM, which must reflect, not only the integration of all the currents flowing into the party, but in addition, the current political expressions existing within the party. This is fundamental to the application and development of policies and concepts of the new party and not to any preceding organization(s).

In the activities and formation of leadership organs, in addition to criteria of unity, it is necessary to remember the personal capabilities and responsibility in performing leadership tasks of those named to them. The main tasks of these organs are political leadership, defense, development and dissemination of the party line approved at congresses, conferences and plenary meetings of leadership committees, as well as the application of standards of operation.

It is necessary to make the needed effort to make full use of the experience and talent of cadres of all organizations giving life to the PSUM and perform creative work for the purpose of collectively integrating the results of this experience.

We must make a common effort in the search for a consensus for the adoption of the principal decisions and the establishment of unified methods for eradicating differences, even contradictions appearing in development of the party. Whatever the case, members of the PSUM must assume responsibility for and promote compliance with accords, whether arising out of a consensus or adopted by a majority.

It is also necessary to hold frank and open discussions on the principal questions on which there are differences, for the purpose of having the party as a whole participate with its experience in the definition of positions and prevent the latter from turning exclusively into confrontations of leaders or checking the activity of the PSUM.

3 -- Movement Capable of Challenging Hegemony of Forces of Capital

The organization policy of the PSUM, its methods of work and the standards on which its operation are based respond to the need to turn its program and particularly its socialist and democratic objectives into the patrimony of the great masses in a political, ideological and cultural movement capable of challenging the hegemony of the forces that support and defend the current capitalist system of exploitation and domination. Consequently, the forms and methods of organization must correspond to the development of the political influence of the PSUM in the sphere in which its theory and program are materialized.

In defining its organization policy, the Unified Socialist Party of Mexico takes into consideration the social and economic diversity and even the ethnic and cultural plurality of our country, along with the social and organizational traditions of different population groups and the political backwardness deriving from long decades of control by the PRI monopoly.

The foregoing is for the purpose of making our conception of the party viable as an organized whole capable of applying a single policy and uniting great masses of working people and intellectuals, while considering the different levels of experience, the individual traditions of different population groups and the current stage of development of the PSUM.

4 -- Forming a Great Socialist Party: Central Task of the Moment

In taking up the work of organization based on these criteria, we emphasize the purpose of constituting a party offering the possibility of acting and intervening in political life and in social struggles to all those who agree with the fight for socialism.

These socialists can become a great national political force. They are the basis of a mass party struggling to transform the country. Their incorporation into the political arena in a party requires that the latter adopt the most diverse and flexible forms of organization facilitating the coordination of all efforts and the expansion of the influence of its members in society, thereby establishing the possibility of relating the party and its membership to problems of daily life.

The resolutions of the Second National Congress of the PSUM constitute the tactic for the fight in the current situation, defeating the economic and social policy of the government and opening up a new process of democratizing the life of the

country. In order to achieve these objectives, as resolved by the congress in question, it is necessary to perform three tasks: develop a mass party, promote a strong autonomous movement of social organizations and work for unity of the left.

The development of the PSUM as a mass party is a central task at the present time. In order to complete it, all members, rank-and-file organizations and leadership organs must outline a policy of organization capable of overcoming sectarianism and spontaneity in this area and embark the party upon activity aimed at uniting hundreds of thousands of Mexicans in the ranks of the PSUM.

In order to be a mass socialist party, it is necessary to promote a policy on the part that compares policy with reality. We must achieve coherence between the political line and practice of the PSUM and it is indispensable to increase the capacity to unite the different socialist factions existing in Mexico within a democratic relationship.

But the organizational policy cannot be based solely on general possibilities. In order to properly situate organizational tasks, it is necessary to consider the current situation of the party, which can be summed up generally as follows:

Throughout its existence, the PSUM has held various national congresses and assemblies, plenary sessions of the Central Committee and federal and local election campaigns. Nevertheless, its growth has been slow. It has not yet managed to integrate the majority of its members into rank-and-file organizations. Most of the intermediary committees are still weak. The establishment of party machinery permitting political activity in social organizations is still lagging and there are still major problems relating to the drafting of the political line and its application.

It is a well-known fact that many intermediate committees that exist (state, municipal and zone) and even rank-and-file organizations do not feel part of a national party and are only driven by local political interests. In certain states, there are no leadership organs that operate in a regular manner. In them, the party exists formally, but there are only affiliates without any party organizations.

In other entities, since the founding of the PSUM one has not observed any numerical or political development of the party, but rather, major decline in some. In other cases, there are serious internal problems hindering party work.

The organization policy of the PSUM has two central objectives: an increase in the number of members and a strengthening of its structure. For this purpose, it is necessary to overcome two equally harmful practices: those who oppose the entry of many new members and those who do not try to incorporate new members into activities, failing to integrate them into rank-and-file organizations or place them on municipal committees.

It is necessary to promote the growth and development of the PSUM as a mass party that at the same time establishes its own characteristics of political organization and impedes the utilization of majorities deriving from massive entries into the party for group objectives at the national, state or municipal congresses

of the PSUM. Finally, we need an organization policy that will promote party growth on the basis of development plans oriented toward the fundamental branches and strategic sectors of production and services.

There are states in which relations between members are not solidary, but rather, marked by exclusion and confrontation, and there are still groups that impede assemblies and the completion of work itself.

The National Organizing Conference, on the basis of an examination of the existing situation and the conditions of the party, must create possibilities for the development of a new party, thereby trying to root out flaws and defects in party work and relations between members, in the currents that merged in order to give rise to the PSUM, promoting unified and democratic demonstrations and the development of a collective attitude in political work, all component parts of the new party.

5 -- Freedom of Discussion, Organic Unity and Unified Action

The short life of the Unified Socialist Party of Mexico has been marked by a search for forms of organization suited to its nature, methods for a proper relationship among members, expressing the unified process opened by the National Unification Assembly and the standards that should govern party structure and organization.

One of the main efforts that must be made today consists of being more precise about our concept of democratic centralism, established in our statutes as the principle of revolutionary party organization enabling the PSUM to lead a united political struggle on a national level. In this concept, a prime role is played by the democratic combination implied by a joint examination of affairs, collective, centralized leadership, majority decisions, freedom of discussion, organic unity and unified action by all members and organizations and respect for the decisions of party organs and organizations.

The debate transpiring in our rank and file concerning the role of internal democracy and the manner of exercising it points up that it is still necessary to accentuate methods and forms of participation of the party rank and file -- intermediate militants and organizations -- in the drafting and daily application of PSUM policy.

Forms of participation must also be developed in the Central Committee in order to give the national organization the level of a collective leadership organ whose continuing activity and intervention in party life sum up in a richer and more vivid manner the concerns and opinions of all members of our organization.

The tasks and duties of leadership organizations and members in promoting the unified integration of our party and overcoming difficulties deriving from the diverse origins of the PSUM must undoubtedly always be present in our form of conceiving democratic centralism. There must be respect for minority opinions, the right of those who hold them to maintain and defend them, without this signifying any justification in avoiding compliance with accords drafted collectively and adopted by the majority.

6 -- Consolidating the Merger Process and Advancing Toward Unity Without Exclusions

One of the decisive questions at this time in the life of the party regarding organizational policy is the fight to integrate the different factions contributing to its formation and new members coming to the PSUM.

In this sense, statutes must be considered as norms subject to constant improvement, based on the experience and needs of the party. They must be utilized as the collective instrument establishing equality among members, preventing all arbitrariness and preventing old groups or others that might emerge from imposing their will on the party as a whole, the Central Committee or rank-and-file and intermediate organizations.

At the present time, the statutes must be carefully studied in all areas of the party, precisely to see whether they contribute to the necessary cohesion of the party, to break down barriers between organizations contributing to the formation of the PSUM, whether they impede any type of exclusion of groups or members isolated by their previous origins or current political position. From such a study and evaluation must emerge proposals for modification or amendment that a congress of the PSUM would subsequently resolve.

7 -- Mass Party Open to Society and Struggling To Transform It

The construction of a mass socialist party in Mexico is possible because of the level achieved in the establishment of socialism. The mass party implies the entry and organization of segments of the masses in the party. At the same time, it is indispensable to build a broad leadership structure, with trained cadres and sufficient resources. The leadership structure must be built as progress is made toward the mass nature of the party, and it is one of the main conditions. Otherwise, it would be impossible to organize large groups of members of the PSUM and ensure their democratic participation and political action in society.

In our view, a mass party implies a great organizational structure broad educational tasks, since the objective of massification of the party is above all linked to the need to improve the programmatic and political influence of socialism. A mass party signifies greater conversion of the socialist awareness into a material force, into an element transforming society.

In order to ensure the entry of tens of thousands of new members of the PSUM, it is necessary to undertake a reform of organizational methods for the purpose of ensuring the creation of great rank-and-file organizations through which one can guarantee the continuing political struggle of members. Rank-and-file organizations must have individual features in keeping with the sphere in which they operate.

Illiteracy is not an obstacle to entering the PSUM. Leaders must draft forms enabling the illiterate to learn the principles and program of our party. Intermediate rank-and-file organs must try to give literacy training to those who enter the party under such circumstances.

In the Unified Socialist Party of Mexico, the policy of organization must serve its development as a component part of society, open to it, in a constant fight for its transformation. The structure and operation of the party must foster its constant relationship with national, state and municipal realities and the place or work of living area of members.

In order to build a mass party with greater influence among workers, it is necessary to have organized growth through the formation of rank-and-file organizations. To date, no rank-and-file organizations have developed with a democratic operation and in a constant process of growth.

Many rank-and-file organizations meet exclusively in connection with partisan events and have no regular operation developing the influence of the PSUM among the masses. Other rank-and-file organizations are reduced to holding meetings. They are not capable of creating an organization able to act and therefore serve the development of the party.

8 -- Work, Housing, Population or Community Organizations

The creation of organizations of different types, based on special conditions, has to be based on the idea that we propose to have broad, active, mass organizations. Their work must begin with the formation of the leadership nucleus. Each organization must elect at least one political leader, one for organization and finance and one for propaganda to develop party activity. This secretariat is the main organ responsible for constant activity relating to the masses in propaganda, finance activities and the drafting of an organization policy capable of guaranteeing growth in the number of members incorporated into the PSUM and its influence. This leadership corps will be responsible for establishing and maintaining relations with the municipal or state committee and with the committees of rank-and-file organizations in their municipality or region.

Rank-and-file organizations must first of all devote their meetings to a discussion of national, state and municipal policy and adopt resolutions permitting the political mobilization of members of the organization. These decisions must naturally be related to specific problems corresponding to social organization or the mass front on which the organization is active, and will enable the latter to determine the action of members in concrete struggles. In order to avoid tedious sessions that neither prepare nor stimulate members of the organization, it is necessary for organization leaders to specify the agenda sufficiently ahead of time and ensure the broadest possible participation of the rank and file.

Periodic assemblies must be held to draft work plans. These documents will clearly specify objectives and tasks which the organization proposes to carry out with respect to the national policy of the PSUM. Plans must also specify how many copies of ASI ES should be sold, what use will be made of the 25 percent of the dues assigned to the organizations and other resources from financial activities, what type of propaganda and mobilizations are planned over the next three months, how many new members it is possible to register, and so on. Likewise, when the organization so decides, open, public assemblies may be held in the sphere of its action.

9 -- Broad, Active Rank-and-File Organizations Linked to the People

Rank-and-file organizations will be of four basic types: work or housing centers or colonies; rural towns; agrarian communities; and ethnic groups.

The first two types of organizations will be built in urban zones but will have a different type of operation based on the criterion that work centers will have a policy especially related to the individual concerns of such a center. In contrast, housing organizations or colonies need to work as neighborhood organizations in the more general political struggle and take up local demands. The neighborhood organization will be broader and more flexible and will consider conditions of legality and the nonexistence of a common model of social organization.

Members of work-centered organizations must participate in those that exist at their place of residence although without any vote to elect delegates, this so as to avoid duplication of the rights of the member of the PSUM. They must also work to create new territorial organizations where the latter do not exist. Members of the party working in organizations at their place of residence must try to form organizations at their work centers when they do not already exist.

The importance of party construction, applying criteria of production and of the work center, requires that state committees plan their activities so as to incorporate new members into the organization from the main enterprises and factories in the zone under their jurisdiction. Likewise, the Central Committee, with the help of state committees, must incorporate into its plan of work the specific growth and construction of the party in those areas which, by virtue of the concentration of workers and production, are considered to be strategic.

Above all, town or settlement organizations are related to the need to take in communal farm dwellers, rural teachers, small producers and merchants living in smaller areas.

For the formation of rank-and-file organizations in communities of ethnic groups, it must be recognized that the tradition of collective resolutions is part of their culture and consequently, that it is necessary to accept their incorporation when the community so resolves democratically, following exhaustive information and discussion. The form taken by the organization will be related to the culture of the ethnic group in question and there may be forms of inter-regional coordination of rank-and-file organizations of the same ethnic group, permitting proper distribution of tasks related to the common struggle. Care must be taken not to replace or impinge upon territorial leadership organizations. For its work among ethnic groups, especially those where the PSUM has already gained a foothold, it is necessary for the party to have copies of the fundamental documents in the main minority languages of the country.

Rank-and-file organizations on communal properties are formed to be active in the fights of farmers and peasants, promote their organization and disseminate the purposes and political line of the PSUM. In their daily action, these organizations must respect the forms of organization of rural associations.

An effort must be made to avoid having problems of membership in the party and the organization of its members be handled by the assemblies or leadership organs of the communal properties, for this might give rise to division among communal property dwellers.

Individual, voluntary acceptance of incorporation into the PSUM is only the beginning. The rank-and-file organization, and especially its leadership, must engage in constant activity to incorporate new members, creating the necessary structure making it possible for them to give the party what they know and are able to do. Dues, sales of ASI ES, attendance and participation in meetings will not come spontaneously, but rather, as the result of the work of cadres and party organizers who know how to create the structure providing room for political action for democracy and socialism for the working people.

Independently of the different forms adopted by rank-and-file organizations, it is necessary to define a general tendency in keeping with the needs of a mass party. They should be large groups.

10 -- Greater Relationship Between the Leadership and Rank and File, More Party Unity

One of the main problems of parties of the Mexican Left has been that of achieving a proper balance between the role of leadership organizations and the democratic participation of its rank-and-file members.

It is necessary to establish a relationship between leadership organizations and the party rank and file preventing centralist excessive that destroy the rights of members and their organizations. It is necessary to prevent democratic excesses from obstructing the joint action of members of the organization at the different levels.

The organizational policy of the PSUM must consider the state and municipal organization as a whole. Organization of the PSUM in any entity includes the municipal committees that exist in the state and the rank-and-file organizations acting under its leadership, along with the state committee.

That organizational line necessarily leads to the fact that, in order to make decisions of far-reaching importance, give or receive important information, every state committee will take into consideration and even promote the participation of municipal committees and rank-and-file organizations. It also leads to the need for party opinion on action taken -- in an election campaign, for example -- to conform, not only to the opinions of members of the state committee, but also to those of municipal committees and rank-and-file organizations.

Development of party integration with these characteristics opens up the possibility -- previously viewed with distrust -- of a horizontal relationship of rank-and-file organizations, municipal and even state committees in deciding upon specific joint action. This would raise the level of communication in the party and would consolidate its unification. State committees must promote that type of horizontal meetings with concrete objectives of coordination and the exchange of information and experiences.

In transferring this concept to the municipal level -- rank-and-file organizations and the municipal committee make up the organization of the PSUM in the municipality -- the possibility is established that the making of important decisions will be at meetings of the municipal committee with representatives from rank-and-file organizations.

The concept of the state and municipal organization as a unique whole in every state and municipality elevates the democratic nature of partisan activity, makes it possible to take the concerns of the entire party into account and makes the relationship of leadership and rank-and-file organs more expeditious.

It is thus possible to ensure a livelier and more coherent development of democratic centralism in the PSUM, to strengthen the influence of the rank and file in party leadership and emphasize two important aspects: the accountability of leaders to members, not only at congresses and conferences, but rather, in the course of daily activity, and control of intermediate rank-and-file organizations over leadership committees. But that is not all. It establishes a closer relationship between leadership and the organization as a whole, which is very useful in difficult times when the party's democratic rights are attacked. Finally, it facilitates attention to the extremely important tasks of leadership organs: the formation of capable rank-and-file and intermediate cadres in the handling of the political line and its concrete application; frequent information about the direction of national and state life and on the activities of the PSUM to the party as a whole; orientation and advice on all questions requiring the support of leadership organs.

11 -- An Independent, Disciplined Democratic Party

The national presence of the PSUM may be firmly established only through the application of a single political line of conduct followed by the entire party on the main national issues, relating action undertaken in any region to that taken throughout the country.

In the fight to achieve these purposes, a decisive role is played by partisan discipline, which is our party is nothing but the expression of internal democracy. The adoption of accords by organizations at the different levels becomes a collective decision involving all militants in its execution.

The Central Committee is the organ that resolves problems of national party policy. Its resolutions represent the exercise of single leadership under which the state and municipal committees and all organizations and members of the PSUM in the country work. In every entity and every zone or municipality, the elected committee plays its leadership role within the confines of the general policy decided upon by the national congress and promoted by the Central Committee. Its decisions and resolutions are the expression, based on local conditions, of the unified national leadership.

The rank-and-file organization, as a direct link of the party with cores of workers and the population, is the most concrete and precise manifestation of party discipline, of the principles of the single political line for the entire

country and the single national leadership. In it, the most general demands take shape and responsibility for the creative application of the line and of general directives are precisely expressed.

Discipline in the PSUM responds to the need to apply resolutions for concerted promotion of socialist forces in the same direction and at the same time. Discipline in a party of voluntary and conscious membership such as the PSUM is only possible if it is the result of the conviction that decisions adopted democratically by the majority are the lines governing action.

The development of the Unified Socialist Party of Mexico as a mass party that requires consideration given to the diversity of forms of organization of the working people and their traditions, also involves the need to defend the autonomous and independent nature of the party with respect to any other organization or institution, whatever its type: economic, social, religious or political.

This requirement must not cause anyone to restrict the work of the leaders of the PSUM masses, who, through their activity, help increase the ranks of the party. Rather, one must promote the work of education aimed at new members so that the latter may assimilate the premise that upon entering the PSUM, they thereby acquire a commitment to it and in their party activity, they cannot be subordinate to special or group disciplines or coercion of any nature. A party member is required to promote the line and resolutions of the PSUM in social organizations and at the same time, to respect the democratic resolutions of such organizations.

Sanctions of the Unified Socialist Party of Mexico are applied to protect it from corruption, expressed in the misappropriation of funds, whether of the party itself or any social organization, from infiltration and spying by repressive groups and as a defense against repeated attacks on its program and political line.

12 -- Dues, the Member's Link to the Organization

A lofty manifestation of party membership is the decision by every member to contribute to the support of political activity of the PSUM at his place of work, in the region, state or nationally. An expression of this conduct common to all members is the contribution of regular economic support to the party, proportional to the income received, meaning dues.

Regular economic contributions are also a reflection of the degree of organization of the party and the level of revolutionary activity. It is necessary to develop an intensive education campaign among members in order to turn fulfillment of this duty into a solid link between members and the party organization.

However, the fight to finance activities of the PSUM is not confined to the individual contribution of members through dues. They must be supplemented by the financial activity of the entire party.

In order to maintain and broaden its action and, through its program and principles, reach broad sectors of the population and make progress in its construction as a revolutionary mass workers party, the PSUM must engage in financial activity based on the backing of workers, including collection, the staging of political events bringing in funds, and periodic contributions from donors. Another element might be the creation of enterprises providing regular income to support activities of the party, whose operation in no way contradicts the principles or political prestige of the party.

A special area of income for the PSUM is stipends, salaries and supplemental income of elected representatives. In this connection, the National Organizing Conference has reaffirmed the statutory criterion that these resources would go into the coffers of party committees to which they belong. But it is also stressed that party organizations have the duty of assigning to these representatives adequate salaries in keeping with the rules issued by the Central Committee.

This is not an act of authority, but a relationship between the party member elected as a representative and the party nominating him, backing his campaign and supporting him financially, defending the outcome of the voting and providing him with the elements of his election platform. The attitude of the elected representative and the party organization to which he belongs, in backing this ruling, represents a demonstration of maturity and a sense of responsibility.

Financial activity in our party must receive the rank of mass political activity. The PSUM is active among the masses in joining the struggles and activities emerging from its political line to financial work. It is therefore necessary for this area of work to be made completely clear. It must be known that every cent given to the PSUM will go to revolutionary political work.

On the national level, the party must set up a system of financial control enabling our organization to inform all organs and the people in general about how the resources we have are handled.

Leadership work of the party must take into account the need to promote the financial self-sufficiency of all intermediate committees and rank-and-file organizations, inasmuch as only in this way will it be able to handle its functions of political leadership and mass work and perform its work without making it dependent upon economic aid from organs of national leadership.

13 -- Party Propaganda and Utilization of ASI ES

A very important place in the party's organizational policy is occupied by the attitude of the latter toward its central organ, its propaganda activities and the possibility of using mass media.

The most important aspect has to do with the PSUM and all organizations and members as propagandists for their political positions, program objectives and alternative solutions to mass social problems. The drafting of propaganda by party organizations in every state of the republic and every municipality.

at centers of work and residence, is a requirement of the times in party life so as to orient its activity and efforts toward mass problems and struggles, establish a strong relationship with workers making it possible within a short time to accentuate its political influence and considerably broaden party organizations with new members. Consequently, it is necessary to work toward the broadest possible utilization of mass media, particularly the radio, in order to inform the broad masses of our fight, our demands and condemnations.

One of the most effective forms to develop the party's national presence is by considerably increasing the circulation and dissemination of the periodical ASI ES. Leadership committees of the PSUM at all levels, from the Central Committee to rank-and-file organizations, have duties to our publication: helping to see that our weekly reflects the needs and conditions of struggle and living conditions among the workers and the action which the party undertakes in every entity; promoting the acquisition and study of the content of the publication among members and party organizations, its sale at centers of work and residency and its study by the people.

The newspaper may play its role as propagandist for the party provided that members participate in its publication, disseminate it and use it as a means of relating to the masses. PSUM members and organizations have the duty to buy it, disseminate it and pay for it at the proper time, to create groups of readers, make its columns means of studying party line and positions and the expression of worker, farm and people's struggle.

Leadership organs must wage a great campaign within the party to develop the newspaper as a means of internal cohesion, information on the struggles which the party is waging on all fronts, applying its political line, and a means of education and platform of debate on political and theoretical problems and matters of general interest.

14 -- Territorial Structure and the Fight for Democracy

In order to promote a revolutionary workers policy in society as a whole, it is necessary to have territorial activity. The PSUM resolves to grow in an organized fashion throughout the country, building a structure based on the political divisions existing in Mexico.

In order to promote its development, the PSUM needs to apply a territorial policy that views the fight for democracy as the direct action of the masses in solving all their problems, the most immediate and the most basic among them.

The point of departure takes into account the political division of the state in developing its action in direct relationship to the organization of power, its organs of operation and its territorial space.

The territorial structure of the PSUM facilitates the incorporation of members into the election struggle. The territorial structure obeys the need to present the workers' alternative as a complex alternative that faces the problems of the most diverse social sectors that in different ways are suffering the oppression of capitalism, either at work, in school or the place of residence.

To date, the PSUM has not sufficiently developed its municipal policy and as a result, it is essential to adopt the resolution of moving on to build the intermediate levels of leadership that will draft policy and organize party activities, considering regional, local and municipal peculiarities.

In order to perform consistent work of organization that will allow the incorporation of broad masses into the PSUM, it is necessary above all to form municipal committees. The state committees must define, in each of the states, which are the main municipalities where the PSUM does not yet exist and take the urgent measures making it possible to build the party in them, without forgetting that our objective is to build PSUM committees in all municipalities of the country.

But there is also another range of questions to which a solution must be found in order to build the PSUM: the liaison of tasks in the social and economic struggle in entire zones, even though the territories are separated by municipal and state political divisions. Such is the case of the Federal District and the State of Mexico, Comarca Lagunera between Durango and Coahuila and the Veracruz and Potosi Huasteca and the southern region of Tamaulipas.

In order to establish structures making it possible to handle party tasks in these regions, without infringing upon the territorial unity of our state organizations, the PSUM proposes to implement the formation of coordinating commissions between the state committees that have this situation and in which municipal committees are directly involved, as bodies promoting the cooperation of members and organizations in mass tasks. Whatever the case, the organizations active in these regions will maintain their membership in and discipline toward the corresponding state committees. Cases of sharp differences arising out of party organizations situated under such conditions will be resolved by state committees by joint agreement and, if necessary, with the intervention of the Central Committee.

15 -- Great Political Mobilization Before 1985 Elections

The territorial structure must use the electoral processes so that the municipal committees will build rank-and-file organizations. In all their tasks, the latter must include their activity in election sections.

It is henceforth necessary to promote forms of coordinating the activity of our party in the current districts and election sections. This will make it possible to participate more effectively in the current political confrontation and help in the growth and organization of the PSUM at all levels of its structure.

Many of the recent election frauds of the government were helped by the legal requirement that representatives of the parties and candidates for election seats had to live in the territory embraced by the section. This measure was a clear political maneuver at the last minute to rig the elections. From now on, we must guarantee that there is at least one citizen in each of the electoral sections willing to defend the vote, particularly those cast for the PSUM.

The Unified Socialist Party of Mexico resolves to plan the wide-ranging political mobilization that the 1985 elections require. It is necessary to take the proper measures to bar the way to election fraud by building a national network of PSUM voting inspectors in all election sections and districts. Construction of such a system must be the first organizational act of our campaign. Making our votes count is not essentially a technical problem of vigilance aimed at preventing fraud; it is above all a wide-ranging political problem consisting of achieving a real citizen's rebellion, awakening in the Mexican people the awareness that their voting is free and that it is indispensable to protect that right.

The party must take maximum advantage of the election processes in order to disseminate its proposals concerning the different national problems and promote its organization. It is also important to maintain its activity in order to develop relations established with the voters during the campaign and meet commitments made to them.

16 -- How the PSUM Applies Democracy in the Municipal Government

The Unified Socialist Party of Mexico already has 135 councilmen, 94 of them as representatives and 41 on the seven councils we head. This comprises a considerable presence, but it only signifies the great potential of effective work in participating in municipal councils.

When the PSUM obtains a victory in a town council, it has to immediately proceed to establish the organizational and political conditions of its own government: organizing the people in order to carry out its election program; defending the council from actions which the PRI government and its allies deploy against it; making an honest and effective use of the resources it has and establishing open council meetings that promote a close relationship between the council and the community in order to discuss and resolve the different problems in a way of governing that is distinct from the practices applied by the PRI in the country's municipalities.

Councilmen that are members of the PSUM must coordinate their activities closely with the municipal committees, which are the party's political authority in the municipality, and carry out construction tasks the latter agree upon. Stipends of councilmen must go into the party's coffers and the corresponding committee must assign them a salary.

It is indispensable to establish conditions so that the rank and file of the party will support the initiatives of the people's representatives. The latter must in turn be capable of heading up action aimed at meeting the demands of the working people. Moves made by councilmen and local deputies must be of a nature that, far from becoming a means of gaining a personal following, will develop awareness that organization and struggle are the means of obtaining improvements.

17 -- Branch Committee, Its Function and Place in Organization

We have said that without a mass policy based on the development of revolutionary party membership and class trade unionism, there can be no revolutionary

party. In order to achieve greater projection of party trade union activity, it is necessary to root out spontaneous action, anarchy and scattered efforts once and for all.

It is essential to relate the partisan struggle with the very activities of the member, a product of his work or profession. Party work must be an extension of the activities of the PSUM member at his place of work.

If, in actuality, we want to be immersed in the union struggle -- rather than being mere spectators wishing to direct from above and outside the movement, without being a part of it -- we need an instrument between the party and the mass movement. That is the branch committee, which enables us to draft an overall and, at the same time, concrete, specific policy for every branch of production or sector of workers, in the economic, political and trade union fields.

The branch committee is the suitable structure for an effective coordination of the party's organizing activity in the main centers of work, production sector, sector of nucleus of manual or intellectual workers. The branch committee is not an organ of leadership parallel to territorial leadership organs or to the organic party structure. Its function is very specific and concrete: to draft policy for a sector of workers and coordinate the unity of action of rank-and-file organizations that organize workers in the branch in question. The branch committee is national or of the state. For its integration and operation, it will come under the Central Committee for the former and the state committee for the latter.

In other words, all rank-and-file organizations are part of the party's territorial structure for general policy matters, organization and finances of the PSUM. Rank-and-file organizations come under a territorial committee, whether municipal, delegational or of the state. But for matters of its activity and its struggle in a specific branch of production, they are coordinated and unified through the branch committee.

18 -- Main Directions of PSUM Growth

The merger of organizations coming together in the creation of the PSUM and the incorporation of those joining it in the following parties were the basis of the current composition of the party. It is now necessary to move on to a different phase, in which the distinguishing feature will be the growth, expansion of political influence and the increased presence of the PSUM in struggles of the working class and all working people.

A precondition for completing these tasks, which must be immediately created, is the integration into rank-and-file organizations of all those who are new members of the PSUM, doing the necessary work so that through these organizations, they will carry out their militancy and so that through them, the party may support its political activities for workers.

The growth of the United Socialist Party in Mexico has three fundamental directions: factories and enterprises, social organizations and the municipalities.

The makeup of the party is not a problem of the second order. For that purpose, the PSUM proposes to grow by winning over broad sectors of workers, increasing the number of members among workers, gain a foothold in centers of production.

The PSUM proposes to grow in social organizations in order to promote its fighting unity and action in defense of the interests of its members, wage an internal political and ideological battle against those who try to separate the defense of specific demands from political action. This must enable us to bring organizations more closely into the struggle for the socialist transformation of Mexican society and fight for their integration into an alternative political force capable of fighting to overthrow the bourgeoisie and to institute democratic workers' government.

The PSUM must exist and grow in the municipalities because in them, alternatives may emerge for the exploited people bereft of rights and promote movements aimed at improving the life of the workers. The problems and municipal action of the PSUM are part of the national effort to become a viable force of government and show its capacity for the creation of forms and instruments that might approach political, economic and social problems of the municipality, based on the possibility of self-management arising out of the features of this state institution.

These are the fundamental directions of growth that the PSUM intends to take.

19 -- Conduct and Role of the PSUM in Mass Organizations

Construction of the Unified Socialist Party of Mexico as a revolutionary workers party of the masses is a basic need for making progress in the fight for socialism. The development of social organizations, trade unions, farm worker confederations and users' committees are also a fundamental requirement for the socialist struggle.

In Mexico, we must overcome the lack of a tradition of political militancy by creating the forms of organization that best correspond to the requirements of the mass movement. The PSUM must contribute with its strength to the formation of all those organizations that would strengthen society and endow the different sectors of the working population with organizational instruments for defending their interests and fighting for their demands. With respect to the relationship existing between political parties and mass movements, it is necessary to break down the old traditions that subordinate social organizations to party interests, crushing democracy and internal unity, and thus reject the idea that political parties must be isolated, removed from the life and action of organizations, giving the latter a hue of apoliticism and antipartisanism.

It is essential to modify the role played by social organizations in decision-making. The trade unions must mainly begin to exert influence in a new way on all affairs of state, giving up the current situation of subordination to government policy.

The party must concentrate its efforts and resources on developing its strength, creating its own groups within the trade unions and thereby contribute to their democratic orientation. It is up to the PSUM and its members to develop a very broad policy of unity and combination of trade union forces through currents, fronts, circumstantial alliances or joint actions, giving priority to the strengthening of organizations and building their unity on democratic foundations.

In participating in different organizations that have traditionally been pitted against one another under the influence of trade union bureaucrats, party members have an opportunity and the duty to fight to end such confrontations and establish unity of action for workers' demands. Party members active in different organizations must always endeavor to find points of agreement and achieve joint action in the struggle.

The PSUM is the only party whose statutes establish the obligation of its members to comply with and fight for fulfillment of resolutions democratically adopted by social organizations, even when the party has another position. Leaders of trade unions, confederations or any type of social organization that are members of the PSUM have a duty to fight against the identification of the party with the social organization. The PSUM consistently defends the autonomy of the mass movement with respect to the state and parties. Its work consists of exerting influence through its ideological and political positions, without confusing organizational structures. It is a continuing task of party members to disseminate the concepts and political line of the PSUM within trade unions and confederations.

20 -- Fight for Democracy and Trade Union Freedom

In Mexico, the practice of corporatizing social organizations is very widespread. It mainly consists of mass affiliation of organizations into the governing party. The PSUM must make an effort to create within social organizations forms of relationships between leaders and those led that in no way reproduce the current antidemocratic forms that crush the freedom of individual political affiliation.

In the PSUM, the leaders of social organizations have no rights or obligations different from those of any other party member. The administrative capacity of our leaders is possible thanks to the strength and organization of the masses.

The proposal of our absolute commitment to the autonomy and independence of social organizations must not be viewed as a shameful renunciation of the activity of revolutionary socialists. The activity of the PSUM must be developed within all social organizations, adapting forms to the concrete needs of the mass movement. In those enterprises and unions where there is repression of PSUM members, it is necessary to set up rank-and-file organizations that will engage in activities protecting the existence of the party and the work of our comrades.

21 -- Integrating Cores of Central and State Leadership

The Central Committee must serve as the collective leadership of the PSUM, functioning in a continuous manner for the work of organization and development of the party's political concepts. In the present phase of consolidation of the bases for unity of the PSUM, it is very important for the Central Committee to collectively assume the new modes of leadership corresponding to the current needs of the political struggle and ending the practice of limiting work to the holding of plenary meetings every three months.

Important changes must come about in the work of the Central Committee. For example, the secretaries general of state committees must constantly participate in the plenary meetings of the organ of national leadership. Communication within the party would improve considerably if leadership organs would report to the rank and file and intermediate leadership organs with greater frequency.

The different areas of the Central Committee must exist and function as real working committees, integrating all members of the Committee and guiding the entire party in its action. In the different spheres and committees of the Central Committee, new methods of work must be forged for the PSUM as the party capable of critically assimilating the various organizational experiences of the factions composing it and create the revolutionary workers party needed in the fight for democracy and socialism in Mexico.

We must open up the possibility of the participation and development of new cadres and new leaders of the workers movement who emerge and join the party. There will always exist different degrees of participation by members of the Central Committee. The current problem is that there is a considerable number of members who have not found a way to join in the work of party leadership.

To date, the Central Committee of the PSUM has correctly drafted the political line in order to put into practice the accords adopted by the National Unification Assembly and the two national congresses, but it has confined itself to issuing resolutions aimed at mobilizing the party, without yet finding the way to reach all members. Central Committee members must use the pages of ASI ES even more to disseminate the organ's resolutions, explain them and contribute to the development of the political line.

The Central Committee must plan discussions resulting in a knowledge of the different views, without it being necessary to adopt resolutions or accords. These discussions on the most diverse issues of the fight for democracy and socialism are now very necessary in achieving party unity.

National and state leaders must start from the fact that the unity of the PSUM is being forged and that the common criteria on methods, forms and concepts are still being formed. Of special importance is the organization of the work of the political committee. The latter must coordinate activities guided by the principle of mutual respect and function as the daily leadership collectively representing the Central Committee before the party as a whole.

One of the achievements of the PSUM is having brought about the formation of a Central Committee that reflects the diversity of the party. On it are represented all the factions making up the party. The Central Committee is now embarked upon the task of seeing that diversity reflected in its organs, which will mean that the success achieved by the PSUM in the formation of its national leadership will have made major progress in its consolidation. The National Organizing Conference resolves to ask the Central Committee, the political committee and the secretariat to make every possible effort and do its utmost to achieve the objective outlined.

In our work of building the new party, the formation or consolidation of state cells takes on the importance of a point of departure for the extension, strengthening and development of our organization in every entity. The party must be aware of the importance of this great task and the Central Committee and its organs, particularly the political committee, resolve to use means within its reach to intervene in the process. The municipal and rank-and-file organization will not be able to develop in a sound manner without solving the problems of consolidating state cells.

The Central Committee's concern over state leadership cores requires a reorganization of the work of the organs of national leadership. It implies political, organizational, financial and educational duties of all kinds. It mainly implies that in the Central Committee and our entire organization, there must be clarity on the proposed party we are building and ways of achieving it.

In order to develop the awareness of PSUM members, it is necessary to have organized political education. The Central Committee will ensure that all party organs complete a course of education on the basic documents and resolutions of the Second National Congress.

Central Committee members must include among their tasks the drafting of materials explaining the programmatic, organizational and tactical line of the PSUM. In order to perform this task, it must first of all take into account the areas assigned, but Committee members must also try to join their efforts with those of members of state committees engaged in similar work.

The Central Committee daily experiences the party's problems and they must be resolved by following democratic norms and making the necessary efforts to lead the process of unifying the PSUM. Of special importance is the search for a consensus and respect for majority resolutions and minority positions.

For democracy and socialism!

Mexico, Federal District, 18 August 1984

National Organization Conference of the
Unified Socialist Party of Mexico

Report to Conference

Mexico City ASI ES in Spanish No 120, 28 Sep 84 pp 15-19

[Report of the Unified Socialist Party of Mexico Central Committee Political Commission to the Party Organization Conference, Mexico, D. F., 16-18 August; delivered by Sabino Hernandez Tellez, secretary for organization-building matters, date not given]

[Text] Comrades:

In approving its proposed resolution for this meeting, the Fourth Plenary Meeting of the Central Committee has generally established the objective which, in accordance with the opinion of the national leadership organ, must govern the work of the National Organization Conference of the PSUM: "Taking up the fundamental problems of its own construction, the forms, methods and nature of internal party structure; ties between the different organizations within it; relations between members and between the different leadership bodies; ways to develop its unity."

That same proposal pointed out the purposes of the work of our meeting:

- 1) increasing the political influence of the PSUM in national life; 2) extending its relations with workers and Mexican society as a whole; and
- 3) turning the socialist alternative in a plan for the broad masses.

Today at last, following four and a half months during which the party planned the conference, the cadres who in one way or another, in differing degrees of intensity and involved in a whole range of tasks, have been engaged in the work of building the party have come together.

During these four and a half months, members of our party have engaged in a process of creating awareness of the important problems facing the PSUM, precisely in the field of party-building and its organic capacity to perform the political tasks ahead. This has been manifested in the 28 state organizing conference, the nearly 100 municipal congresses or organizing conferences and the 2 state congresses held to prepare for this national meeting.

PSUM members from all over the country have borne witness to the unity of the party. The formulation of the plan according to which the party is going through the initial period of its construction, "during which the definitions and resolutions on its founding have not yet acquired full and effective consolidation," has played a role in making our comrades understand some of the causes of the difficulties we face, but this has only emphasized to PSUM members that during this period, we must make an effort to outline and develop the concept of party that has united us and that is the basis for the most important effort made in Mexico, following decades of dispersion and scattering, to achieve the cohesion of the forces of socialist revolutionaries.

Without a doubt, we can say that despite the dangers that have arisen to face our development in recent weeks, the series of organizational meetings held in

the country to prepare for the conference has reaffirmed our decision to build a revolutionary workers party with precise characteristics: independent, a party of opposition and a true alternative to the dominion of the ruling bloc; a democratic party with freedom of opinion, one that accepts the existence of divergencies and factions within it; a party that endeavors to pass resolutions by a consensus and rejects monolithism in its structure and operation. It is a party in constant struggle for its own integration and the unity of the left; an internationalist party, but nonaligned with any center; and finally, a party which, in shaping leadership organs at all levels, tries to reflect in them the diversity characterizing it.

In the course of state and municipal conferences, the Central Committee has been bent on demonstrating its greatest efforts in drafting an organizational policy which, transcending general principles and established norms, takes into account the social and economic diversity and even the ethnic and cultural plurality of our country, the social and organizational traditions of different population groups, the political backwardness and the current stage of development of the PSUM. Party membership has received with interest the formulations contained in the proposal, which establish new and higher forms of drafting organization policy, and efforts are being made to apply them to the current situation.

In our opinion, party mobilization that preceded this conference constitutes the greatest effort to discuss and develop concepts which the party has made since the time of its fusion. For the most part, the party has been able to study its recent experiences and those of organizations preceding it, without feeling pressured by the matters of representativeness and the establishment of majorities, still a source of conflict in the PSUM.

Ideas on the development of the party, its nature and the state of organization have emerged as such without regard for internal tactical considerations. We have come close to the real number of rank-and-file organizations and intermediate committees without adulterations deriving from the objective of achieving a majority. The real influence of the PSUM, its development, has been clearly expressed at state conferences without distortions aimed at discrediting "one contrary." This has made it possible to establish firm bases for the local and national planning of the future actions and struggles of our organization.

This was precisely what the Central Committee was seeking in calling state conferences and the national conference on the basis of the participation of those whose basic responsibility is political leadership of the party imposed by the congresses and assemblies which named them as leaders. These leaders are: the political leaders of rank-and-file organizations and the main heads of intermediate committees, state committees and the Central Committee. At attempt was made to ensure that those involved in organized party activities should discuss and exchange views, compare opinions and experiences on aspects of party construction. We wanted the existence of factions to be manifested in their true makeup and with their authentic presence in the fulfillment of organization tasks. Only on these bases of integration could the National Conference set forth the lines of a party organizational policy ensuring the application of tactics approved by the Second National Congress.

1 -- Toward a Balance Sheet of PSUM Activity

It was 33 months ago that we decided to form the Unified Socialist Party of Mexico. Since that time, not one day has gone by without the party's participation in the life of our country, sometimes with greater strength and accuracy than others, but always showing that our organization is the new element in the political life of Mexico, something that points to the future, the force that acts for and on behalf of the workers.

It is still difficult to draw up an overall balance sheet of its activity and struggles. However, a number of events can speak about our presence and our prospects.

National events that have transcended the framework of the party and turned into acts of national importance included the National Unification Assembly at which the political organizations giving life to the PSUM in November 1981 merged; the first and second congresses at which the party began discussions of its nature, policies and objectives; the Electoral Convention at which candidates for the presidency were nominated, along with deputies and senators, and at which the platform on which the party ran in the 1982 campaign was put together.

The PSUM began its political life with the most important election campaign ever waged by the left in our country. Its presidential candidate, Arnaldo Martinez Verdugo, toured the country. Over 500 meetings were held by the new political force in cities and towns. Arnaldo and the candidates for deputy and senator seats held meetings with industrial and agricultural workers, farmers, ethnic groups, intellectuals and women. The fitting culmination of that great campaign of socialist revolutionaries was the great Zocalo assembly on 19 June, which took back for the people and democratic forces that civic center taken hostage by the government, and the million votes won by PSUM candidates.

The party that was emerging established a new form of election participation that at the same time left behind old sectarian ideas that scorned such a form of political struggle -- the most important one now being waged in our country -- and opposed election opportunism, fighting to make the elections mass struggles linked with the people's demands and interests and converted into a form of struggle for democracy. Along with the national activity in 1982, the PSUM held 24 local election campaigns in its nearly three years of existence and in them, practiced mobilization and agitation -- still limited -- managing to win 28 seats in local congresses, 162 councilmen's seats and the leadership of five municipal councils and, what is even more important, establishing the foundations for waging in 1985 the battle against the biparty system which the PRI and PAN want to impose, meaning practical elimination of leftist and socialist options for Mexican workers.

In actions aimed at defeating the economic policy of the government and at defending the interests of workers, the PSUM has made an important contribution, in October 1983 and in June of this year, in the so-called civic strikes, but also in such important events as the farm workers' march of 10 April, workers actions on May Day and dozens of large and small mobilizations throughout the

country. The most important of these actions consists in having members of the new party learn to act together along with other forces and engage in far-reaching struggles transcending their differences.

The PSUM has managed to gain a considerable presence in the mass movement during this period, although its influence is still far from current needs. It is active among metallurgical, oil, railroad, electrical and nuclear workers, university students and education in general. It has made its contribution to the strikes in 30 enterprises. It has participated in mobilizations of workers involved in struggles at decisive times.

In rural areas, it participates in the promotion of the organization of farm workers in the main farming regions of the country and joins with farm workers organizations in their fight for the land of poor farmers in Chiapas, Sinaloa, Tamaulipas, Oaxaca and Veracruz. The condemnation and organized action of our comrades against the anti-farm policies of the government is a continuing concern of our comrades in places such as Baja California Norte, southern Sonora and Yucatan.

One of the characteristics of the political work of the PSUM that has pointed toward a new phase in the fights of the left in our country is propaganda activity. The PSUM is the only party that holds an annual festival, which has now become a tradition in our country. Two events of this nature have now been held, with the participation of over 100,000 persons, who received a message of political struggle and cultural life that was one of a kind. The political poster of our party, devoted to the fights of the workers and the people, to party political mobilizations and election activity, is a lofty example, even though still inadequate, of propaganda activity. ASI ES, our party organ, is the main propaganda means of our positions and line, which publishes the demands and denunciations of the working people, the activity of our party, and devotes an important section to theoretical and political discussions. We have put out 117 issues of that organ and although circulation is still limited, it represents an effort offered by no other political organization, one that is beginning to be completed by the journalistic activities of two state committees: Nuevo Leon and Durango, which are now publishing their own organs.

It is very important to point out, among the activities of the PSUM, the work of of the parliamentary group: 10 bills covering the main problems faced by our country today; vigorous denunciations of the government's arbitrary action; political actions aimed at unifying democratic forces represented in the Chamber of Deputies aimed at confronting the economic policies of the ruling bloc and at defeating official authoritarianism. It is beginning to be joined by the activity of PSUM lawmakers in state congresses.

Although many spheres of PSUM activity have not been mentioned, we believe one cannot ignore the educational work and research done by the Central Committee. Included in the former is the work done by the Center of Socialist Studies, where over 110 comrades from 21 entities have studied on scholarships and which has organized courses on the basic documents of the PSUM and on the organizational problems of our party in 12 states, with the participation of 186 comrades. Regarding research, one should point out the activity of the

Center of Studies of the Socialist Workers Movement -- which has held new forums on different issues -- and the Center of Studies on the National Economy, which issues a publication every two weeks with the results of its analyses and investigation.

These activities have been completed by the PSUM with the forces contributing to the unification of November 1981 and with those that rallied around us in the period thereafter. We could say that they were the result of the thrust of that very act of unification and not the fruit of an organized plan or any activity of organic construction. One of the factors now representing an obstacle to higher goals, on the basis of what has already been achieved, is the absence of any consistent organizational proposal and working plans based on such a concept.

One of the great tasks of the Organization Conference is precisely that of uniting the party around a concept of the party, of forms and methods of organic construction. The proposed resolution of the Central Committee for the National Organization Conference is the broadest and most systematic effort to group the main directives on organization. Its immediate precedent, the document issued by the Sixth Plenary Session of the Central Committee elected by the First Congress, could not play that role. The situation no longer allows for more proposals. In the Central Committee proposal, fundamental responses have been found by state organizing conferences, as shown in the resolutions of those meetings. The National Conference should conclude the drafting of the document and constitute an endeavor to turn it into a directive for the organization of the PSUM, which is now indispensable for undertaking the great task of organic party construction.

But in order to complete this task, the conference has to know the true circumstances of the party. We have presented accomplishments that will fill every member with enthusiasm, but it is essential to penetrate more thoroughly the true party conditions in order to make those accomplishments a point of departure.

2 -- What the PSUM Has

On the date of this meeting, we have 63,212 party members registered with the Statistics Committee, nearly double the number registered in 1982 when the First National Congress was held. However, this figure does not represent the real number of those who have joined our organization. Nearly 7,000 new members are in office in the state committees, according to data we received on the occasion of state organizing conferences.

To date, 2,734 rank-and-file organizations have been formed and although this figure would mean an average of 22 members per rank-and-file organization, it is necessary to point out that one of the weakest points of our organizational work consists precisely in the fact that to date, we have not yet managed to bring a very large part of members into organizations based on their place of work, social organization or residence. In addition, the existence of these organizations is to a large extent formal inasmuch as a great number of them are not performing the political and social tasks for which they were created.

There are 247 intermediate leadership organs in the country with the rank of municipal committees. A total of 15 are delegational committees in the Federal District, 39 zonal committees covering more than one municipality and whose task it is to form municipal committees in the region in which they are active, and 193 municipal committees strictly speaking. These organs represent the main link of party leadership: the Central Committee and state committees, with the party rank and file and the principal means for the organization and mobilization of the forces of our organization. (In addition, there exist, as transitory means of organization, numerous committees that organize municipal and zonal committees.)

Finally, with respect to party structure in the country, there are 31 state committees. In only one state is there no state leadership: Campeche. In all the others, state PSUM congresses have been held and they have appointed local leaders. In them, there naturally exist different degrees of effectiveness and organizations, but all represent the leadership level immediately related to the Central Committee and, what is more important, the organ in charge of drafting and applying the political line of the PSUM under the political conditions existing in its entity.

In examining "what we have in the PSUM," we deemed it of utmost importance to describe the social makeup of the party, which is meaningful for the planning and formulation of our tasks, mainly for the purpose of working toward the construction of a revolutionary workers party of the masses.

Out of the 63,212 party members, over one-third, 36.8 percent (23,262), are wage-earning workers. Of these, nearly half, or 10,550, 45.3 percent, are industrial and agricultural workers, with slightly more agricultural workers (432 more). The weight of industrial and agricultural workers in party membership is 16.6 percent and that of industrial workers 8 percent.

Farmers and the peasants -- the different classes or strata making up small farm producers -- constitute a very large proportion of the party: 18,336, or 29.4 percent, fewer than wage earners as a whole, but more than the industrial working class and farm workers. Another large share of party members is made up of students, which represent a little over 10 percent of all PSUM members.

One fact that cannot go unnoticed for this conference is that of the number of women who have joined the Unified Socialist Party of Mexico. They constitute over one-fourth of the membership -- 27.5 percent -- but more important still is the fact that of them, over half are wage-earning workers and farm women: 53.9 percent. The rest, 8,133, are housewives not employed outside the home. The total number of working women: 9,393, in the party makes up 14.8 percent, naturally including working women. It should be noted that the largest number of women earning a wage and being members of the PSUM are privately employed.

It should also be noted that there is a large number of party members in activities relating to education. There are 5,053, or 8.7 percent, women in our party who are employed by the Office of Secretary of Public Education and by the universities.

Finally and as an additional piece of information on the operation of our Statistics and Membership Committee provided by the preceding data, we should state that it has issued 48,327 credentials to party members and 14,885 still must be issued.

3 -- National Leadership of the PSUM

The Central Committee is the national leadership of the PSUM. On its ability to face national problems depends the success of the party as a whole in carrying out its political tasks throughout the country. Every plenary meeting -- to date, seven have been held since the Second Congress -- has represented an effort to go further in the general directions set forth by the national PSUM meeting: defeating the economic policies of the government and fighting to expand democracy in our country, analyze new aspects of the crisis and their political and social implications, as well as actions that the party must undertake to prevent the crisis from being placed on the backs of the workers. Three plenary meetings have mainly been devoted to examining problems of the internal life of the Central Committee, conflicts between members and factions within it and the need to overcome difficulties that the party has in the task of construction.

The Central Committee is made up of 74 members. Of these, 17 serve on the political committee of the Central Committee and 6 on the Secretariat, both organs of national leadership. Fifteen of the members of the political committee and the Secretariat are party professionals with specific commissions, while 5 are members of the Secretariat, 2 are federal deputies and 1 is a national labor leader. The Central Committee is headed by its secretary general, comrade Pablo Gomez, who was elected at the first plenary meeting following the Second Congress, just as the members of the political committee and the Secretariat were appointed.

In addition to the members of the political committee and the Secretariat -- members of the latter are the secretaries of the six areas of national party work -- there are 13 members of the Central Committee on areas and committees. The Central Committee has representatives of all the factions making up the PSUM, including the PSR [Revolutionary Socialist Party], the majority of whose members decided to abandon our plan. The makeup of this Central Committee, whose composition is so diverse, is one of the achievements and characteristic manifestations of the PSUM. The fight for the cohesiveness of the Central Committee is one of the most important processes now taking place in our party.

The Central Committee does the work of national leadership through its six areas with its corresponding committees (organic construction, with four committees; finance, also with four; information and propaganda, with five; election, analysis and education, with three centers and two committees; and international, with three committees). With few exceptions, these committees are not formed, but rather, the work is done by the official appointed by the Central Committee.

In addition to the Central Committee committees grouped by area, there are seven more that are not part of them. They are the trade union, agrarian,

work among women, youth, ethnic groups, people's movements and administrative unity of the Central Committee committees. The hands of these committees work directly with the secretary general, while those of the area groupings work with the corresponding secretary.

Area work of the Central Committee still suffers from one serious defect: Members of the national leadership have not been included in them despite the fact that Central Committee regulations stipulate that they should be. This stands in the way of better work by each of the areas and a more direct relationship of the latter with intermediate leadership levels and the rank and file. The lack of planning and coordination of work in the areas and on the committees is still a characteristic of this activity of national leadership, which considerably hinders and impedes leadership activities.

In sum, Central Committee organs are still doing scattered work, that is poorly related to intermediate organs and the party rank and file. In particular, although the political committee reflects a greater degree of party integration, its work is still lacking in thoroughness and fails to cover many problems. Work on guidelines is thin and not subject to strict plans. The Secretariat has not succeeded in creating the conditions so that its operation will be manifested in an effective execution of national tasks and precise coordination of the work of areas and committees.

4 -- Leadership Nuclei

During preparations for the National Organizing Conference, particularly the holding of state conferences, one of the main questions of this period of party construction -- the "initial period," as characterized in the plan -- was that of the formation and consolidation of leadership cores at all levels, from the Central Committee to rank-and-file organizations.

This question is taken up in point 2 of the plan relating to problems of the national integration of the PSUM. The concern over this point is that leadership organs must "reflect the integration of all factions in order to apply and develop the policies and concepts of the new party and not that of one or some organization(s) preceding it."

In addition, points 8 and 9 refer to the need to establish a democratic relationship of the whole party without separating leadership organs from rank-and-file organizations and party members. Finally, emphasis is given to the importance of leadership nuclei of rank-and-file organizations.

State organizing conferences, however, have pointed up the need to make an overall party effort to achieve the formation and consolidation of leadership nuclei on the state, municipal and, naturally, rank-and-file level. At any rate, criticism of the Central Committee and its organs mainly refers to its work in leadership.

Concerning the Central Committee, we will note that one of the accomplishments of the PSUM is having achieved the formation of a Central Committee reflecting the diversity of the party. In it, as announced previously, are represented

all factions making up the party. The Central Committee is now involved in the task of seeing that diversity reflected in its organs, so that the success achieved by the PSUM in choosing its leaders will have a major impact on its consolidation.

It is indispensable to speak about other levels of leadership work, of the training and consolidation of leadership nuclei. In our work of building the new party, the formation of state nuclei assumes the importance of a point of departure for the expansion, strengthening and development of the party in each entity. As a result of the enthusiasm awakened by the merger, hundreds of persons became interested in the new party and even became members, but they did not find a team of cadres providing the special conditions for their respective unity, the general line of struggle of socialists promoting their organization and establish the lines of political struggle and party construction. In many cases, the prospect of the new party encounters the obstacles of sectarianism or positions difficult to identify with the revolutionary struggle, which were inherited from previous political groups and notably different from the plan launched in forming the PSUM on a national scale.

But nearly three years have gone by. In several states, the political influence of the PSUM has expanded. Local leaders have waged the political struggle against the PRI government and the false PAN alternative, but have not found a way to advance that influence and turn it into an organized political force. In others, the process of integrating the party has achieved successes and the party has reached a time when it can become a mass political force, but party organization lacks an organizing nucleus. In other places, noteworthy changes have not occurred since 1981 and the mass of PSUM members is becoming discouraged and demoralized.

Our party must become aware of the importance of this great task and the Central Committee and its organs, particularly the political committee, must resolve to use means within its reach to intervene in this process. Municipal and rank-and-file organization cannot take place without the solution of problems of forming state leadership nuclei. Furthermore, what has already been achieved in the municipal area and the formation of basic organizations is in danger and will disappear if we do not resolve to become decisively involved in the formation and promotion of state nuclei. The latter must receive all the support of the national leadership and must be the concern of the Central Committee. There must be no state organization without true and systematic support of organs of leadership, and no member of the political committee and the Secretariat must fail to perform some work or assume responsibilities vis-a-vis state leadership nuclei.

If consolidation of the national leadership nucleus is, on the Central Committee level, the condition for the continuation of our development process, then the consolidation of state leadership nuclei is the condition for the organization of the party in the country and its expansion in every state or region.

The concern of the Central Committee for state leadership nuclei demands a restatement of all the work of Central Committee organs. It implies political,

organizational, financial and educational duties of all kinds. Above all, it implies clarity by the Central Committee concerning the party we are building, a clear agreement on the type of party we have proposed to build and ways of bringing it about, so that the party as a whole can be imbued with resolve and enthusiasm over building the new party.

Within this concept is the role of the municipal committees, the party organization in the states, naturally including the Federal District as the standardbearer of the proposed society that the working class, to the working people, for which it calls for struggle and organization. The party must stop being the sect of members solely concerned with the problems of one or another group of farmers or settlers, giving up the great social tasks of the fight for education, health, transportation, food production, culture, the healthy use of free time and, naturally, international solidarity with peoples engaged in revolutionary struggle.

It is the municipality in which these tasks take on much greater significance. That is where the fight against the corruption of the ruling group is seen with greater clarity and strength, where the government's economic policies show their disastrous consequences. Taking this concept into the municipal presence of the PSUM is one of the central concerns around which the municipal nuclei of the PSUM must be formed.

We believe that while these questions are generally expressed in the Central Committee plan, it is not in concrete form. Furthermore, this is the most important task of the party's organizational effort and it must be incorporated with all its strength into the resolution of the National Organization Conference of the PSUM.

5 -- Key Questions of Our Organizational Work

a -- The PSUM in the Federal District

A special case in the organizing policy of the PSUM is the party in the Federal District, with 4,326 members, 100% after voting, the ability to rally and mobilize followers and the votes of over 330,000 persons. It is active in the most important political, economic and social center of the country, in a vast metropolitan area that experiences in a particularly acute fashion the consequences of the crisis. It is here that the contradictions of the economy, politics and society multiply and are interwoven.

The party is active in spite of serious deterioration of human and material resources and although its activity has national repercussions. In the Federal District, the government considers citizens as second-class Mexicans, without basic democratic rights, such as that of having their own government. In the Federal District is the largest concentration of industry and workers.

In the Federal District, the party has tens of thousands of fighting, organized members who are successfully confronting the government, its party and the right. That is why it is fundamental to carry out the resolution of the organizing conference of quintupling members in a year, to fill out the 40

district election committees, to ensure that in every one of the 6,500 election sections, rank-and-file organizations and brigades fighting for democracy are active. It is necessary to achieve a radical transformation of the operation of delegational committees, reorganize rank-and-file organizations, working or housing center organizations and put an end to disorganized efforts, turning these organizations into bodies with initiative, authority, autonomy and their own image. We must also adopt the resolution of ensuring that the committee improves the quality and output of its work of drafting and applying policy and has more professionals, facilities, and so on. The conference strengthened internal freedom, thereby guaranteeing freedom of criticism and unity of action within a good climate of work and struggle for its own government, democratic urban reform and a mass party.

The Central Committee must use all its resources in supporting party work in this city and the entire party must also support it, seeking a way to increase efficiency and performance. The country's situation demands this and allows this.

b -- Rank-and-File Organizations

The rank-and-file organization is the smallest expression of the party's existence and all its activity. The militant work of members is done through them; they are an instrument for the political formation and attraction of members. Through rank-and-file organizations, the party fits into civil society.

The party contains various ideas on its importance. The state committees generally consider them as indispensable, but efforts to constitute them vary. There are those who, for the purposes of designating delegates or expressing strength, view them as formal organizations, only for enlisting members in them but without consideration given to their activity of place of residence. In this case, the territorial organization takes priority over the center of work and the number of members can be very large, although it never meets or functions as an element of the party performing its tasks.

The rank-and-file organization at the work center is the one that must receive the greatest attention from the party, express its nature and political interest, and facilitate meetings, providing subjects for discussion, disciplining members in the performance of their tasks and improving the quality of their work and directly relating the party with a production center.

The conference must adopt measures to promote the construction of this type of rank-and-file organization, especially in factories and enterprises. There are rank-and-file workers organizations in the PSUM whose existence extends through decades, enduring difficult trials. Such cases exist among railroad workers, miners and private construction and transport enterprises.

Territorial organizations can respond to the need to establish a link between the party and members cut off from their center of work or without one. But the municipal and state committees must perform the task of seeking the integration of members into centers of work through the rank-and-file organization,

being careful, if necessary, to adopt the forms that best preserve them and permit their operation.

The conference will undeniably contribute great richness to the subject in presenting the direct experiences of state and municipal committees.

c -- Diversity in Forms of Organization

The work of building the party so far shows us valuable experiences.

Our country is a historic, ethnic and cultural mosaic. In its territory, in addition to a diversity of forms of economic organization, there have developed and continue to exist social and political manifestations.

This reality must be of concern to us. On its understanding depends our ability to face and resolve problems, drafting a viable policy of party organization that can be accepted by the sectors to which it is directed.

There is a general line: The PSUM is a party of organized members. How are they to be organized in this confusion of circumstances? The organization responds to the concrete needs of the struggle. In this field, there is nothing more than observations, initial actions, merely theoretical proposals and, on the other hand, the need to organize the Mexican people, whatever they do and wherever they may be.

The rank-and-file organization at the work center and that of the native community provide one possibility of approaching the problem. That of communal land dwellers and of farm workers offer presently differences. The driving force behind their creation is different, although the direction of their work is the same, and these differences determine their work, discussion procedures, decision-making and forms of study and struggle.

We still do not have complete clarity, but by devoting efforts to the solution of problems to be solved, the PSUM has created a system of organizations which, based on the reality of their different forms of existence, are solidly fused in the party, because the latter has respected the particular circumstances in which it lives.

How is political hegemony to be given to this diversity of structures, expressions and forms?

First of all, by clarifying the social situation of the exploited and oppressed which all of these sectors have and by developing the idea that they cannot free themselves from their role and poverty on their own, but only through the combined action of all the oppressed. By pointing out that it is the system that generates the situation of anti-democracy and exploitation oppressing them. They must be told of the idea that the oppressed too must find a single line, a single action, for the purpose of defeating their domination. It is necessary to convince them that the necessary and possible way to do this is that all the dominated and the oppressed find their organization.

In several regions of the country, there is a phenomenon that must call our attention in order to seek out ways of resolving it. We are referring to the existence of a very close connection of tasks in the social and economic fight in entire zones even separated by municipal and state political divisions. That is the case of zones in the Federal District and the states of Mexico, Coahuila and Durango, Veracruz, San Luis Potosi and Tamaulipas. For matters discussed in preceding paragraphs, there are fairly precise answers in the proposed resolution, but concerning this last matter, we need to try new solutions.

Some of the parties that led to the formation of the PSUM tried the formation of regional committees for these cases and that possibility is even contained in our statutes.

However, given the existing conditions of our party, when we need to try to give territorial unity to our state organizations, we do not believe that the thrust of this solution is timely. Rather, we prefer the proposal repeatedly made in the political committee and the Central Committee by various cadres: setting up coordinating committees between the state committees that are in this situation with the participation of municipal committees that are directly involved, committees that would permit coordinated actions while maintaining disciplined membership in the respective state committee for general policy matters. Matters of sharp controversy between party organizations under such conditions must be resolved with the agreement of state committees and, if necessary, with the intervention of the Central Committee.

d -- Branch Committees

National organizations based on branches of activity are one type of intermediate organization whose purpose it is to coordinate the work of party organizations existing in branches of production, in order to draft the policies specifically corresponding to that sector of the party and coordinating unity of action. They cannot exist as the result of decisions made above. Rather, they emerge from the need to direct and coordinate the work of real organizations. They are not a body parallel to territorial organizations or to the organic party structure for the purpose of handling aspects of general policy affecting members, organization and finances. For this purpose, as rank-and-file organizations, they come under a territorial committee, whether municipal, delegational or state. The branch committee helps strengthen the work of the state committees and the Central Committee itself in serving as an instrument for the application of a concrete policy.

This body was set up in an attempt to have a closer tie of the party struggle to the activity of members and work party action through the members in the direction of work centers.

To date, only two national level committees have been set up: that of SEP [Secretariat of Public Education] workers and that of the oil workers. Another is planned, that of municipal workers.

On this matter, we believe that it is indispensable to have a greater effort by the Central Committee to promote the formation of branch committees in all those sectors where it is necessary to develop coordinated activity of party members in the large industrial trade unions and in entire branches of production where there are still no national unions. In addition, the Central Committee must better clarify the function and nature of these organizations for the purpose of preventing the emergence of phenomena having double direction and even factional splits.

e -- Immediate Financial Tasks

One of the most important aspects of organization of the PSUM is that of finances. This matter has serious consequences for the development of party work since the latter encounters a constant and sometimes insurmountable obstacle in the lack of financial and material resources.

To date, the main income of the Central Committee stems from prerogatives legally coming to our party and the stipends of the nine deputies in the parliamentary group (four deputies have still not turned over their warrant to the finance secretary).

These are resources which the PSUM and the parties from which it emerged won through long years of struggle. They are not the product of any gift and we shall consequently continue to fight to see that the matter of prerogatives to political parties, which is one of the aspects where antidemocracy and PRI corruption are expressed in all their magnitude, is settled and regulated by a law passed by the National Congress.

With respect to the matter of PSUM deputies who have refused to turn over to the party their stipend, the proposed resolution stipulates that the conference should reaffirm the complete validity of the statutory norm.

This is not a matter of money; it is part of the basic principles that give life to the party. Our party must prevent the resources belonging to it from being used for personal benefit or to finance activities fostering patronage and action outside the regular party organs.

The payment of dues by members is one of the areas where there is the greatest confusion. Although we do not have precise information, of the 28 state organization conferences held and at which this problem was discussed, it is possible to conclude that the majority of the members are not paying dues. Even more worrisome is the fact that the leadership organs, from the Central Committee to the municipal committees, attribute no attention to the problem and some leaders have even formed the false impression that collecting dues is an anachronism in the PSUM.

For us, the payment of dues is an essential part of membership in the PSUM. It is one of the three conditions that any member of our party must fulfill. It is not, at least for the Central Committee, a mere matter of finances. It is also related to the organization of the PSUM and its revolutionary activity. It is not any accident that the few rank-and-file organizations in which the payment of dues is a routine matter are the best organized, the most active

and the ones with the best possibility of doing suitable work relating to events in their zone or center of work.

Income from dues is to be used to finance the activities of the rank-and-file organization, to support the basic needs of the municipal and state committees (payment of rent on party premises, propaganda, allowances of professional cadres, and so on), while the remaining 25 percent of the dues going to the Central Committee will be used to support the activities of intermediate leadership organizations.

The National Organization Conference summons all PSUM members, particularly leaders at all levels, to pay maximum attention to finance work in order to apply the resolution of the Secretariat of the Central Committee, published in issue 113 of ASI ES, concerning the payment of dues.

Another aspect of finance activity might be the creation of enterprises providing the party in every state with continuing income.

f -- Support for ASI ES

Regarding the Central Committee organ, ASI ES, the latter has been regularly published on a weekly basis. Its pages have reported the advances achieved in 1983. The newspaper increasingly fulfills the role of defending and explaining the political line of the PSUM and reflects ever more clearly -- and with greater timeliness -- the activities in which the party engages.

For several months now, we have published theoretical and analytical materials whose contents are for the purpose of meeting the needs of the readers.

However, ASI ES has basically developed as a platform of debate concerning political, theoretical and general problems of interest to the party. This depends on the level of debate going on within the party.

One should emphasize information on PSUM activity in the states of the country that is sent by correspondents, whose network is gradually being expanded. Its consistency is seen in the type of information and reportage processed for publication. The participation of many political cadres has considerably improved, especially of the secretaries general of the state committees. To date, very few have failed to make an overall evaluation of the policies of the PSUM and each government in the corresponding district.

As shown by its content, the progress of the party press is real and visible. However, there remains the serious problem that a large share of the PSUM does not take advantage of the space provided by our publication, failing to use it for its rapprochement with the masses. The weekly is distributed by 120 outlets, including agents, municipal committees and commercial distributors. Only party distribution has been ineffective, as reflected in economic results. The party's debt to the administration of the publication is 4.12 million pesos.

Nevertheless, one has to add that income from the weekly have improved from 18 to 31 percent of total costs, through advertising, subscription and other measures, such as ASI ES lotteries.

Development of the newspaper must mainly come through the expansion of its political influence and the organizational strength of the party itself.

Effective operating measures must be adopted so that ASI ES becomes the best instrument of party propaganda.

g -- Education and Organization in the PSUM

One very important aspect for the development of democracy in the PSUM is ensuring the continuing ideological and political training of party members. In order to create the conditions guaranteeing participation in decision-making and the drafting of the party's political line, there must be a national system of political education in the PSUM.

The work of political education must be done by all party members and consequently, they will contribute directly to the organized construction of the mass party. Rank-and-file organizations, municipal and state committees must include among their activities the political training of members. Our theory requires an analysis of the specific situation for the drafting of the most proper political line. That is why political education must be viewed as a continuing process in the party's work. Meetings, seminars, conferences, round tables to improve the ideological level in party ranks directly contribute to the strengthening of our organization vis-a-vis the depoliticization and bourgeois policies that constantly try to draw toward the opposition. The only way to oppose that opposition is ideological and political clarity. Consequently, we do not view political education as an indoctrination in abstract and general truths, but as a means of political struggle.

We must therefore make a commitment to conduct courses of education prepared by the Center of Socialist Education in all rank-and-file organizations. In addition, we must set up regional centers of socialist education (serving several state committees of the PSUM and state centers of socialist education, wherever possible). State committees must plan their participation in the regular courses of the Center of Socialist Education, which must be attended by blue- and white-collar workers and farm leaders.

h -- Organization for Elections

The party has no election organization, which makes political participation difficult. Various resolutions of the party deem elections to be a relevant question as a means by which the party may maintain its formal legality. Elections are also a time of great activity enabling the party to go before the people and the voters with its organization, program, leaders, propaganda and mobilization means.

Given the current situation of a sharp economic crisis and great social movements, election participation must be linked to the construction and strengthening of the party and the revolutionary struggles of the masses. We participate in elections because they make it possible to measure the party's advances among the workers and the people, evaluate the effects of party speeches, increase the political influence gained by the party among workers, develop the party, influence government decisions through mobilization and achieve representation in legislatures and town councils.

Nevertheless, some problems have not been resolved. We still have not fully linked election participation with the political struggles of the masses. We have not turned the elections into a movement of general rejection of the capitalist system, of its national government and its policies. We have not clearly outlined the need to oust the current government in power in order to build a new government. We have not presented ourselves as this country's socialist alternative. The party has not created a continuing instrument through which we may participate in elections. Nowhere in the country is there an election structure, but only lists, in the best of cases, of those representing us or those who have been elected at various levels. The latter must again be sought so that they will again consent to participate.

We need to recruit four representatives from the PSUM for every election district throughout the country, two for every municipal committee. In the case of deputy elections, we need two more for every federal election district and two for every local election district, since they often do not coincide. We need a total of some 200,000 representatives. The party must make a great effort enabling it to build an election structure made up of organizations that function continuously in the time of political confrontation with the government and whose party task is handling specific election problems.

In order to do this, we must develop a clear conception of the election struggle as a revolutionary action permitting construction of the party in factories, on communal farms, in the schools, towns, and participation in trade unions, farm struggles, the people's movement in urban areas and culture. The 1987 elections will be a time of great decisions. The government and the right are preparing to become the only organizations fighting to eliminate our party and others from such activity. Within the framework of the grave crisis shaking the country, this makes the election fight, which will end on the first Sunday of July next year, the most important expression of the political struggle, the struggle for power, in which the option of democracy and socialism must be present and become the great national revolutionary political force that the current political fight demands, the main opposition force in the country.

i -- Unity, Democratic Guarantee

The PSUM must always act with the idea of strengthening internal party unity and this will be possible if we are convinced that the purpose of this period is to contribute to the practical achievement of the lines leading to its birth and subsequent accords and resolutions.

We must base our action on initial accords, which guarantee the same rights and obligations for all party members. In order to make decisions, it is advisable to use the method of consensus, for in this way, one arrives at greater political unity. However, we must obey the majority resolutions, whatever the case, and unite in backing them. Any disagreement among us must be channeled toward discussion and debate, avoiding antipathies. Discussion must never imply a failure to carry out resolutions made or paralysis of the party.

Practices of internal struggles leading to divisions and antipathies or alienation must be fought in the PSUM.

The democratic operation of the PSUM determines the appearance of different points of view and opinions within it. This is natural, inevitable and positive, provided it occurs within the framework of our structure. Such debate on the various positions helps draft the political line of our organization, strengthens unity of action and guarantees freedom of criticism. The debate must be aimed at a search for agreements, the construction of unity and not a mere outlining of positions.

A serious obstacle to the construction of the PSUM would be that opinions held might turn into factions, continuing groupings with a defined structure and leadership, their own discipline and character. Their participation as such in party life would break down unity and democracy.

j -- People's Movement in Urban Areas Related to Mass Fronts

Recent years have shown a rise of urban people's movements. Every day they take on added influence in social struggles and are related to other mass actions for demands. The intervention of our party in such movements takes on greater coherence and precision. We must therefore understand that in most cases, the settlers are workers fighting through the urban people's movement to solve specific problems affecting them as the residents of human settlements. With a specific program and precise lines of action, we must promote party activity in such movements.

k -- Work With Young People

With the National Conference on Youth Work on the horizon, it is necessary to recognize that to date, we have not given the necessary support to preparations for the event or to youth work in general. There persists an attitude of distrust and scorn toward a new youth policy. But we must understand that the construction of a mass revolutionary workers party depends on the incorporation of thousands of young workers into the ranks, the promotion of specific forms of organization for young people and the integration of youth demands into the overall purpose of the democratic, socialist transformation of Mexico. The Central Committee and all party leadership organizations must look to that conference and in general, view work with young people as a task of utmost importance.

Comrades:

This is the first National Organization Conference of the PSUM. It could not have been held before, for we had to permit the accumulation of experience on practical work and political documentation in order to present objectively and clearly the difficulties the party would have to face on the path to development.

The people of Mexico, the workers, its working class, appreciate the efforts made to arrive at this time in the life of the party.

But they are also waiting to see what is done to continue to strengthen the bolder and necessary political program drawn up by the socialist revolutionary force of Mexico.

We are a political force in the process of developing, a revolutionary force in the process of organizing. We can be a force with a great future in the history of Mexico.

This will depend on our actions and decisions today, at this time.

In many ways, it depends on the results of this conference.

Our party exists in the country and is present in the most important struggles being waged by Mexican workers for their interests and those of the nation. We have an as yet modest place in the international fight against imperialism, for disarmament and peace. We are an expression in the fight for socialism.

But we must be up to our responsibilities in order to fulfill them more completely.

Whence the importance of this conference: knowing our experience, following it and integrating it in a single direction, in a line for the entire party, a line stimulating the activities of those of us now belonging to the PSUM, a line that will attract those now outside the PSUM, that will unite us more and turn our party into a creative, united, revolutionary force.

Knowing this party, its origins, its people and its aspirations, we can affirm that it will move forward in the tasks that now lie ahead.

May this first National Organization Conference signify important progress in the construction of the PSUM! Long live the PSUM!

11,464

CSO: 3248/21

PERU

POLL PREDICTS GARCIA WINNER ON FIRST BALLOT

Lima EQUIS X in Spanish 5 Nov 84 p 10

[Peruvian Institute of Market Research poll taken between 16 and 22 October]

[Text] The political party for which voters would vote if the presidential election were to be held tomorrow.

	TOTAL	*S.E.L.		SEX		AGE		
		High/ Middle	Low/ Slum	Male	Female	18/24	25/34	35/+
	%	%	%	%	%	%	%	%
APRA	49	43	52	51	48	59	45	44
IU	16	7	20	21	10	16	17	14
PPC	11	25	5	11	12	10	10	14
AP	8	9	7	6	8	7	6	10
FDUN	2	2	2	N	3	1	1	3
Other parties	N	--	N	--	1	--	--	1
None/blank/spoiled	5	3	6	3	8	2	8	5
No opinion/don't know	9	11	8	8	10	5	12	9

Total: 100%

(Base: Total interviewed)400 129 271 199 201 131 121 148

*Socio-economic level


CS0: 3348/136

CUT IN LOCAL SHARE OF U.S. SUGAR QUOTA BLOW TO ECONOMY

Projected Loss in Earnings

Basseterre THE DEMOCRAT in English 13 Oct 84 p 1

[Text]

 Press Release issued from the Public Relations Office of the Prime Minister yesterday Friday has drawn the attention of the public to the plight of the already debt-ridden Sugar Industry of St. Kitts and Nevis. The Press Release is reproduced in its entirety on the Back Page of this issue of THE DEMOCRAT.

At a meeting of top Government Officials called by Prime Minister Simmonds at Government Headquarters on Thursday, the Accountants of the Sugar Industry confirmed the bitter news that the Industry, the Government, and the Economy stand to lose E.C. \$4,960,000.00 (i.e. almost E.C. \$5 MILLION), as a result of the cutback of 4,000 tons from our special, preferential U.S. Quota, worth E.C. \$1,240.00 per ton.

In the shipping year of 1983-84 which ran from October to September inclusive, the U.S. Quota acted as a cushion for the crippling blows being absorbed on all sides as a result of the world market price which is ONE-QUARTER of our cost of production per ton. What this shocking news amounts to is that it costs FOUR TIMES AS MUCH to produce one ton of sugar as the price for which that same ton of sugar can be sold on the open world market. It must however, be clearly understood that the idea of a U.S. Sugar Quota is in fact

based upon a decision of the U.S. Government to RESTRICT its importation of sugar from almost 7 million tons down to about 3 million tons per year. This restriction came into effect on the 11th May, 1982, after a special preferential price of 18 U.S. cents per lb. was introduced specifically to rescue U.S. sugar growers, who commanded a powerful lobby in the U.S. Congress. The U.S. is now cutting its losses, in this programme, which accounts for a U.S. \$3 BILLION deficit.

Government Statement

Basseterre THE DEMOCRAT in English 13 Oct 84 p 12

[Text]

A drastic cut-back in U.S. importation of all Foreign-grown sugar, effective from October 1st this year, has resulted in a net loss of almost five million East Caribbean Dollars to the Sugar Industry here.

The sharp drop in the current demand for sugar and sugar-based products in the United States has been named as one of a number of social and political factors behind a 25% reduction of the quota of sugar contracted for purchase by the U.S. from St. Kitts and Nevis.

The U.S. quota has in effect been reduced from 16,500 Tons to 12,500.

Faced with a World Market price for Sugar which stood today at 345 dollars EC per Ton, the 4,000 Ton cut in the U.S. contract is a severe setback to an economy such as ours which has for too long been chronically over-dependent on the declining fortunes of the outpriced Sugar Industry.

The U.S. quota subsidizes imported sugar by paying a special preferential price of 1240 EC dollars per Ton, a figure of almost 360 per cent higher than today's market price.

In spite of the fact that St. Kitts continues to maintain its record as the most economical producer of sugar in the

Caribbean, even the heavily subsidized U.S. price still falls significantly short of our present cost of production which is about \$1389.00 EC.

At a high-level meeting convened by Prime Minister Simmonds yesterday, between NACO, SSMC, Ministry of Agriculture and Ministry of Finance, Government examined the dire implications of his development, which was questioned by Prime Minister Simmonds during his recent visit to Washington D.C.

CSO: 3298/129

TAIWAN INVESTMENT MISSION FRUIT OF SIMMONDS POLICY

Basseterre THE DEMOCRAT in English 6 Oct 84 p 2

[Editorial]

[Text]

Four years ago, then Premier Simmonds embarked on a visit to the Republic of China on Taiwan. Those lacking foresight, imagination, and initiative immediately began to criticise. They were too blind and tradition-bound to appreciate the importance of establishing ties with countries which had only recently emerged from a period of exploitation and underdevelopment such as we ourselves were going through, and from which we were trying to escape.

But very soon the Premier's visit began to bear fruit. A technical mission from the Republic of China came to St. Kitts and assisted us with intensive vegetable production in keeping with Government's policy of diversifying the economy.

The Republic of China was also the first country to establish formal diplomatic relations with St. Kitts and Nevis and has been the first to set up an Embassy here. From these contacts have flowed several meaningful developments beginning with the Prime Minister's visit to Taiwan and the signing of a Treaty of Friendship in October, 1983 and thus for leading to the visit of an investment mission this past week. In the interval there have been positive developments in banking relationships and trade.

This investment mission has expressed delight at the beauty of the country and has praised its great poten-

CLIPS

PRAISE FOR FREE ENTERPRISE--"It has been proven that Free Enterprise is the best system for National Development". This was stated by Mr. Suswyn Mills, Permanent Secretary in the Ministry of Finance, while addressing the opening ceremony of a workshop entitled 'How To Make Better Use Of A Bank' held at the Port Thomas Hotel in Basseterre. "In modern economic theory, entrepreneurship has become the fourth means of production along with land, labour and capital. 'It is the business sector that has the responsibility of using the country's money to earn more and this is accomplished through effective use of Banks", the Permanent Secretary said. He warned however, that although Banks have always played a crucial role in development, they could do just as much harm if not used properly. [Excerpt] [Basseterre THE DEMOCRAT in English 20 Oct 84 p 12]

HONOR FOR SIMMONDS--A release issued from Buckingham Palace on Monday of this week has declared that Her Majesty Queen Elizabeth II has been graciously pleased to appoint to Her Most Honourable Privy Council the 1st Prime Minister of the Federation of St. Kitts and Nevis, whose membership of that august body confers upon him the title of the Right Honourable Dr. Kennedy Simmonds, P.C. [Excerpt] [Basseterre THE DEMOCRAT in English 20 Oct 84 p 1]

CSO: 3298/144

SUGAR EXEMPLIFIES GOVERNMENT'S PLIGHT; IMF NO ANSWER

Port-of-Spain SUNDAY GUARDIAN in English 28 Oct 84 p 22

[Article by Nora E. Peacocke: "The Challenge for Caricom States: 'Together We Can Rescue Countries From Dire Economic Plight'"]

[Text]

IF determination can do it, the young team of novice politicians supporting St. Vincent and the Grenadines Prime Minister James "Son" Mitchell in his national economic rescue mission will succeed. It is a pretty rough job for there is "no money," according to Mitchell.

A big problem is the sugar industry. It seems that once this millstone is retained it won't be possible for St. Vincent and the Grenadines to get a sympathetic hearing from loan agencies. This is not surprising, since, with an existing debt on the industry of \$42 million, it will take some \$4.2 million more to keep it on operation during the current crop season — that is between now and March.

SWEET WATER

To make the situation even more incongruous, Vincentians are being called on to pay 84 cents a pound for local sugar, when sugar could have been imported at 33 cents a pound according to the price now prevailing on the world market.

"Sweet water", based on brown sugar, is an essential energy source for our poor people. Many an undernourished Vincentian child must depend on his "sweet water"

morning "tea" to provide him with the energy to see him through the school day.

I talked to Marcus De Freitas, Minister of State in the Ministry of Agriculture, Industry and Trade. He admitted he was going through a "learning" process with regard to the running of a government. The young minister had been something of a wizard in private enterprise before turning over the company he had founded to his brother. One of the stringent rules to which Mitchell is demanding adherence by his ministers is that they take no part in personal business transactions.

I asked De Freitas what he felt about his Government's chances of pulling St. Vincent and the Grenadines out of its terrible economic predicament.

He said: "We have to do it!"

De Freitas explained what he thought failure would mean: "A desperate people have put their trust in us. If we fail they will turn to the Communist way in their frustration".

I pointed out that Vincentians had shown again and again that they did not want the Communist way. De Freitas agreed that was true but was just as certain that something must be done to improve things,

or the needs of the people will combine with sense of betrayal to persuade them to try out what up to now they have turned from in distaste. So, "we have to do it!"

That for De Freitas and his colleagues is the long and short of the story.

But there is no doubt that the Government will need a lot of understanding and patience from the people who have put them there.

If, for example, there is a delay in the fulfilment of election promises, if workers have to be laid off while programmes are arranged, if salary increases for Government employees are slow in coming, people will have to be satisfied to wait.

The majority who put the New Democratic Party in power will have to be prepared to withstand the taunts of the Opposition if benefits are delayed, while our economic house is being put in order.

MERE INTEREST

What Vincentians must do is remain vigilant, so that they can be satisfied that the efforts are unremitting to get the sort of programme going that will utilise our limited resources to the full and promote a joint approach by Government, public officials, entrepreneurs and workers that will eventually bring a better way of life to all the people. Such an attitude would certainly help our Government by its mere interest.

For St. Vincent and the Grenadines to fall under the control of the IMF would be disastrous.

After all, the IMF is interested in money, not people. It is a fund for economic salvation, not social improvement. The protection of the dollar is its priority. If people suffer a reduction in standard of living, a loss of social services and destruction of national pride, that is no concern of the IMF.

Everything possible must be done to keep St. Vincent and the

Grenadines away from IMF control. The harshness of the IMF demands bring governments to the point of desperation and leave people in a state of impotent frustration that shouts at them "Communism couldn't be worse!" Or even, perhaps, "Communism must be a better way!"

But St. Vincent and the Grenadines is not by any means the only Caricom country in a dire economic plight. Jamaica's abysmal economic situation and its horrifying effect on law and order needs no emphasising. There is a steady decline in practically every territory. Even Trinidad and Tobago with its petrodollars has taken an economic dive.

A unified approach to feeding ourselves, to the establishment of local agro enterprises and foreign industries, to currency problems and to waste control by the Commonwealth Caribbean is badly needed.

But instead of using and extending the Caricom Treaty, members violate it and set up enormous barriers against each other.

The currency diversification which permits the financial rape of citizens of one unit by the financial controls of another is a case in point. Another is the curtailment of free trade — the very life blood of the treaty.

Other Caricom countries had better take a good look at the struggle now going on in St. Vincent and the Grenadines, by a duly elected democratic government, to restore the country to economic stability and social well being. They had better assess their own positions and see how they can help not only St. Vincent and the Grenadines, but themselves with a plan for co-operation.

Marcus De Freitas's "we have to do it" might just as well come from the lips of a St. Lucian, Dominican or Antiguan next year or the year after. Doing it could be that much easier if we in Caricom pulled together.

ST VINCENT AND THE GRENADINES

MITCHELL INTRODUCES 1984-85 BUDGET, TAX PROPOSALS

FL232310 Bridgetown CANA in English 2252 GMT 23 Oct 84

[Text] Kingstown, 23 Oct--The new St Vincent and the Grenadines Government today announced 5.9 million dollars (1 EC dollar; 37 cents U.S.) in personal tax concessions to middle and lower income earners and abolished a controversial three percent traders tax in a 150 million dollar budget for the 1984-85 fiscal year. (The 1983-84 budget had totalled 143.2 million dollars.)

Prime Minister and Minister of Finance, James Mitchell, in a near two-and-a-half hour presentation to Parliament, introduced a new five percent travel tax, increased taxes on motor vehicles, and abolished legislation he felt was inhibiting interest rate movements.

Mitchell said his first budget since his New Democratic Party (NDP) scored a landslide win in 25 July general elections, was designed to correct the 'chaotic economic situation' inherited from the former Labour Party administration as well as to stimulate growth.

Recurrent expenditure for the financial year which began on 1 July, is estimated at 97.4 million dollars, while capital expenditure is projected at 53 million. Recurrent revenue is expected to be 90.2 million dollars.

Mitchell announced 'a substantial amendment' in the income tax rate structure for middle income earners in response to what he said were 'numerous complaints about the "severity" of the former structure.

And to aid small income earners with a taxable income of 3,000 dollars or less, he introduced a standard deduction in the amount of 5,000 dollars. Under this set-up a taxpayer in receipt of emolument income now has the option to either itemise his allowances or claim the standard deduction.

...It is my hope that I will be able to extend this concession with another limit of 10,000 dollars but I regret to say that the cost of such a proposal cannot now be accommodated," he said.

The NDP had pledged in its general election manifesto to abolish income tax for persons earning below 10,000 dollars per annum. "...It is my intention to ensure that this is achieved well within the period of the mandate given to us," Mitchell said.

The controversial three percent tax on the gross turn over of traders was abolished retroactive to 1 October; but the prime minister said all outstanding monies up to 30 September will have to be paid. The revenue loss as a result of this measure is 3.75 million dollars. Great dissatisfaction within the local business sector over the tax, introduced in 1982 by the Milton Cato administration, is believed to have contributed to the defeat of the Labour Party. The NDP had pledged to repeal the legislation which sparked a four day shut down by the business community in 1982. Mitchell today said the tax had "extremely perverse and destructive effects" on the investment climate here.

The new travel tax, which took effect today, amounts to five percent of the cost of airline tickets for all travel emanating here, whether or not the ticket was purchased here. It is expected to yield 335,000 dollars during the rest of the fiscal year.

Citing a need for attractive interest rates to encourage nationals to keep their savings on local banks, Mitchell repealed a law "in the hope that by freeing up interest rates on lending money, there would be a commensurate effect on the rates on interest paid by banks and other financial institutions on savings." He also announced that a two percent levy imposed on commercial banks will now be deductible as an exempt as long as they meet their obligations under the income tax act. This measure takes effect on 1 January 1985 and will reduce revenue by 9.68 million dollars, he said.

Mitchell announced a restructuring of consumption taxes. For example, some goods like raw materials for industry and machinery have either been totally exempted or changed at between 10 and 15 percent. Consumer goods, not regarded as necessary or essential, are now charged at rates ranging from 20 to 30 percent. The new measures, expected to yield 26.4 million dollars, took immediate effect. The estimated yield from the consumption tax is not new revenue and represents the consolidation from the consumption tax, the stamp duty and the traders rate," Mitchell said.

Mitchell announced that "as a head against any shortfalls in revenue," government proposed to impose a five percent levy on the gross rent or lease of real properties amounting to 500 dollars or more a month.

The measure, expected to yield 540,000 dollars for the rest of the fiscal year, will be introduced on proclamation and when the affect of other revenue measures has been assessed, he said.

This year's projected revenue of 99,229,714 dollars is an increase of 10 percent over last year's. Total tax revenue is estimated at 45,094,794 dollars, while non-tax revenue is projected at 54,134,950 dollars. [Figures as received.]

CSO: 3298/144

ELECTION CAMPAIGN FOR TOBAGO HOUSE GAINS MOMENTUM

Election Date Announcement

Port-of-Spain TRINIDAD GUARDIAN in English 29 Oct 84 p 1

[Article by John Babb]

[Text]

ELECTION DAY for the Tobago House of Assembly is November 26.

Prime Minister George Chambers announced this last night while addressing a People's National Movement (PNM) Rally at which the party's 12 candidates were announced.

Nomination Day for the elections is November 13.

Chambers told a cheering rally that "we are going to fight the Tobago House of Assembly election with the full might of the People's National Movement as a Trinidad and Tobago party, but always remembering this, that we always abide with the decision of the people, because we believe the people are never wrong."

"I hope that when the mark burst," he added, "and that fateful day arrives, that others will also abide with the decision of the people of Tobago."

Prior to Mr. Chambers's announcement, the candidates were introduced to the rally.

They are Vernon Dennis — a member of the Tobago "Little Seven;" Thomas Denoon, L'Anse Fourmi/-Speyside; Erica Sampson-Moriah/Parlatuvier; William McKenzie — Buccoo/Lambeau; Hilton Bobb — Canaan/Bon Accord; John Robley — Goodwood/Belle Garden; Marilla Small — Delaford/Roxborough; Hilson Phillip — Les Couteau/Golden Lane; Beatrice Julien — Scarborough/Signal Hill; Gwendolyn Brednor — Bethel/Patience Hill; Rafael Alfred — Bacolet/Mount St. George; Stanford Callendar — Plymouth/Whim.

Among the 12 candidates there are six new faces who include Brednor, 23, a graduate of the Signal Hill Comprehensive School.

MISMANAGEMENT

It is understood that should the People's National Movement (PNM) win the majority of seats in the elections for the Assembly that former Governor of the Central

Bank, Mr. Victor Bruce, will be appointed Chairman of the Assembly.

Mr. Chambers told the rally that there were fundamental issues in this election.

For the past four successive years, he said, the Tobago House of Assembly, chaired by former Minister of Finance, A.N.R. Robinson, has not been able to hand the Auditor General in time the accounts of the Assembly.

The accounts for 1983, the Prime Minister said, should have been handed in by the end of March, 1984, but this was not done until sometime October, 1984.

The Chairman had also spoken glibly about how the PNM Government had mismanaged its funds, but said Mr. Chambers, the World Bank, the IDAB and the IMF did not think so.

He went on to point out that money which the Central Government gave to Tobago for the last four years was over \$714 million in addition to what other agencies had collected for recurrent and capital cost — the total amount was in the vicinity of \$1,000 million.

Prime Minister Chambers said: "I was called a liar," and he added, that for 1984 until up to September the Central Government had made available to the Assembly for recur-

rent expenditure \$138 million partly to the Assembly and partly to the Central Administration services.

"I want to draw attention to the fact that the Tobago population is four per cent of the national population and had received \$138 million while we gave the St. George East and West County Councils which represent 50 per cent of the population only \$89 million for recurrent expenditure."

In addition to the \$138 million recurrent expenditure given Tobago, the Government also gave \$485 million for capital expenditure.

Mr. Chambers, said that all the municipalities in Trinidad — Port-

of-Spain, San Fernando, Arima and Point Fortin, — all together received a mere \$7 million.

He went on to add that only on Friday afternoon he had signed a warrant releasing to the Tobago House of Assembly an additional \$13 million.

Mr. Chambers's revelation to the crowd resulted in many people asking voiciferously what had the Assembly done with all the money?

Mr. Chambers said he could not tell them everything at the rally, but he promised to give them much more ammunition for the enemy during the election campaign.

Tapia House Leader's Remarks

Port-of-Spain TRINIDAD GUARDIAN in English 24 Oct 84 p 22

[Text]

THE PEOPLE of Tobago are pointing the way to a moral resurgence for Trinidad and Tobago in an era of corruption, cynicism and charlatanism — a time when a clown can pretend to be a shepherd-king and when a party that promised to quench our thirst, led us not to the fountain but to the desert.

Dr. Beau Tewarie, Chairman of the Tapia House Movement, said this at Sunday's congress of the Democratic Action Congress (DAC) during which the DAC presented its line-up for the Tobago House of Assembly elections due next month.

Dr Tewarie said: "Now that we are lost and drifting as a people, they quote Psalms and offer a new deliverance. But they shall not prevail because of what we as a people have had to endure for so long. Because the Almighty will never stand by to see evil triumph over good. The whole world knows that they speak with forked tongues."

He added that DAC, led by Mr. A.N.R. Robinson, represented the vanguard of the larger national struggle against the "tyranny" of central power and party domination of the State apparatus.

HOTEL GRANT

Dr. Tewarie, a university lecturer, said: "The PNM has shown by their action, especially following Independence, that they have no respect for the people nor any interest in popular democracy."

"When Dr. Williams was alive, he followed the letter of the law and observed formal procedures without due regard for the spirit of true democracy."

"Today, under Mr. Chambers, the PNM is not even prepared to show a certain measure of decency and sen-

sitivity in the observance of the forms."

"They have sought to bypass the THA, the legally-constituted regional authority in Tobago, in an attempt to undermine the legitimacy of the duly-elected leaders of the people. They prefer to deal with special interest groups than with the officials who have been elected to secure the interest of all Tobagonians."

Dr. Tewarie, who brought greetings from Tapia, accused Prime Minister Chambers, who took up "residence" in Tobago recently, of proceeding unashamedly "using State funds as well as State institutions to boost his campaign."

He said: "Government recently gave a grant to the Tobago Hotels Association and weeks later delegates to the PNM annual convention in Tobago were accommodated at reduced rates at the various hotels. It leaves one to wonder, because of the awful precedents that have been set, whether the State grant was not a subsidy to the party's faithful."

"The tide is clearly turning; they have blundered in the manner in which they sought to deal with the Assembly. They held a convention in Tobago and the whole world saw that it was a Trinidad convention."

"They said give George a chance for democracy in the party. Before (Works Minister) Hugh Francis could state his intention properly, he is slapped down and shoved in a corner..."

DAC Rallies

Port-of-Spain TRINIDAD GUARDIAN in English 30 Oct 84 p 1

[Text]

DEMOCRATIC Action Congress (DAC) has carded several public meetings over the next few days at the campaign for the elections to the Tobago House of Assembly (THA) gains momentum.

On each programme the DAC which now controls the THA, will present its 12 candidates to do battle with challengers the People's National Movement (PNM) and the National Joint Action Committee (NJAC).

Following is a schedule of some of the meetings:

Today at 5 p.m. the DAC bandwagon rolls into Parlatuvier near the EC School; 6.30 p.m. at Castara Junction near the community centre and at 7.30 p.m. at Broad Place, Moriah.

Tomorrow: Lambeau EC School (6 p.m.); Mt. Pleasant, near the post office (7 p.m.); Block 22, Canaan (8 p.m.).

Sunday, November 4: Zion Hill, Belle Garden (4 p.m.); Glamorgan SDA Church (5 p.m.); Pembroke (6 p.m.); Goodwood, near the post office (7 p.m.); Mt. St. George, Fairfields Junction (8 p.m.).

Monday, November 5: Golden Lane Junction (6.30 p.m.); Les Coteaux, Mount Grace, near the Co-op shop (8 p.m.) and on Tuesday, November 6: Patience Hill near Williams Grocery (7 p.m.) and Bethlehem (Egypt) at 8 p.m.

Mr. A.N.R. Robinson, Chairman of DAC, will be leading the DAC platform speakers at all the sessions.

Chambers' Campaign Kickoff

Port-of-Spain TRINIDAD GUARDIAN in English 30 Oct 84 p 1

[Article by John Babb]

[Text]

PRIME MINISTER George Chambers, in his role as Political Leader of the People's National Movement (PNM), has picked as his election theme in Tobago the preservation of the unitary state of Trinidad and Tobago.

In a fiery speech on Sunday at Shirvan Park in which he kicked off the party's election campaign for the November 26 election for seats in the Tobago House of Assembly, Mr. Chambers also took the Democratic Action Congress (DAC) which controls the Assembly to task on the issue of financial accountability.

Mr. Chambers told the cheering rally: "A serious issue in the election is the continuation of the unitary state of Trinidad and Tobago."

GOAT MOUTH

He said there was a move afoot to bring together a number of parties

in Trinidad and Tobago. "One of them was the party of Tobago," he declared. "Another is one on which I've put goat mouth and can't win a damn seat. Another is one in which a certain leader is playing loose with a number of votes he controls. The issue in that alliance is, who is going to lead it."

"The relevance of that to you in Tobago," he added, "is that you are being led to believe that certain persons in Tobago continue to have some interest in Trinidad and Tobago, but that interest, I assure you, is dependent on whether or not that leadership comes from Tobago."

If so," said Mr. Chambers, "it means that it will have to have a by-election in Tobago, and that person will be ditching the Tobago House of Assembly if he feels he can become Prime Minister of Trinidad and Tobago."

Failing such a move, Mr. Chambers told the Tobago people they could expect a different type of agitation — that Tobago was an island, and it was time that Tobago consider a new relationship with Trinidad, or that it should stand on its own two feet.

He said this feeling was based on a resolution passed recently in the Tobago House of Assembly — a resolution which the four PNM members had voted against.

"So when you come to exercise your franchise," said Mr. Chambers, "the questions would be whether you are being led away from Trinidad, or whether you are being led away from the unitary state of Trinidad and Tobago," he added.

Mr. Chambers noted that the House of Assembly, chaired by a former Minister of Finance, had not been able to hand its accounts to the Auditor General in time. The

1983 accounts which should have been handed in at the end of March, 1984, were not handed in until October.

Mr. Chambers added: "They speak glibly about how we mis-managed the money, but the World Bank does not think so; the Inter-American Bank, and the International Monetary Fund (IMF) does not think so. But Mr. God from Scarborough thinks so. And since Mr. God of Scarborough thinks so, I would have thought that the one thing he would never have exposed himself to is the charge of not observing the financial regulations that govern the conduct of the affairs of the Assembly.

"That is a matter which you all will have to spend some time on before you decide how you cast your vote," Mr. Chambers told the crowd.

STANDING ORDERS

He also stated that after four years of operation the Tobago House of Assembly, led by a man who was a barrister-at-law, did not have approved Standing Orders governing the conduct of its affairs.

As a result, one PNM member, Mr. Callender, was unable to determine what the procedure was to file a question. But when he did file his questions the Assembly was due to go out of existence, and not a single question asked by the PNM

opposition had been answered.

"Do you think that would have been tolerated if the PNM was in charge of the House of Assembly?" he asked.

Speaking about finances, Mr. Chambers revealed that over the past four years the Central Government gave Tobago over \$714 million. In addition, other agencies of Government had given Tobago money, on a recurrent and capital basis. As a result, the total amount given over the four years amounted to almost \$1,000 million.

In relation to 1984 only, Mr. Chambers said, up to the end of September, the Government had made available to Tobago \$138 million for recurrent expenditure -- partly to the House of Assembly, and partly to the Central Administrative Services.

"I want to draw attention to the fact," he said, "that the Tobago population is four per cent of the national population, and to the end of September we had given you under recurrent expenditure \$137 million, while we gave St. George County, which has 50 per cent of the population - St. George East and St. George West - \$89 million under recurrent expenditure.

"In addition to the \$138 million for recurrent expenditure," said Mr. Chambers, "we gave \$48.5 million for capital expenditure."

TOURISM

By comparison, he said, all the municipalities in Trinidad -- Port-of-Spain, San Fernando, Arima and Point Fortin -- received only \$7 million. The County Councils which altogether represented 96 per cent of the population, received only \$9.8 million.

Quite apart from the \$138 million for recurrent expenditure; and \$48.5 million for capital expenditure, Mr. Chambers said that last Friday he had signed a warrant for the release of an additional \$13 million for Tobago.

"All you have done for tourism (meaning the Assembly) is hold two conferences and make 500 copies of a report," declared Mr. Chambers. "And you would not fix the damn infrastructure to provide for tourism," he added, as he also pointed out that "community development in Tobago is dead."

"You know why," he again asked, and answered himself, "because all the chairmen of the village councils were PNM supporters."

Mr. Chambers charged that there was a "dangerous piece of mauvais langue going on in Tobago now -- that the PNM is a Trinidad party." People he said were being told that America is for Americans; Grenada for Grenadians, and Tobago must be for Tobagonians.

PLAN FOR RENOVATION OF CROWN POINT AIRPORT UNVEILED

Port-of-Spain TRINIDAD GUARDIAN in English 27 Oct 84 p 3

[Text]

CROWN Point Airport in Tobago will be converted into an international facility over the next two years as the Airport Authority of Trinidad and Tobago carries out a \$19.2 million development plan.

When completed, the upgraded air terminal will have the latest navigational aids and runway equipment and will be able to accommodate projected future passenger traffic of 900,000 per year.

This vast improvement plan is aimed at developing the Crown Point to meet all recognised aviation standards and with a capacity to accommodate both domestic and international air travel demands.

The airport was erected for military use in the early forties and was not intended for heavy commercial air transportation.

But this will be only the first part of four development phases planned for the Tobago terminal. This first phase is to be divided into three parts with the major work being construction of a new terminal building.

Planning for the new facilities started in November, last year when engineering consultants, Lee Young and Partners, were hired to plan a strategy for immediate improvement of Crown Point and to study long-term development.

As part of this study, there were consultations with BWIA, the Tobago House of Assembly, Office of the Director of Civil Aviation, Meteorological Office, Customs and Excise, Immigration Department and Town and Country Planning Division.

WIMPEY GETS CONTRACT

Proposals for Crown Point improvement were also circulated to

the Ministry of National Security, Local Health Authority, Water and Sewerage Authority (WASA), Trinidad and Tobago Fire Services, Trinidad and Tobago Electricity Commission and the Trinidad and Tobago National Petroleum Marketing Company Limited. Major parts of the development project are scheduled for completion by March 1986.

The firm of George Wimpey Caribbean Limited is the major contractor with responsibility for construction of the terminal building and co-ordination of work related to the upgrading of services including water, electricity and air-conditioning.

The firm of Seereeram Brothers has won the contract for provision of roads, car parks, ramps and infrastructure. This work started last August 1 with a projected completion date of March 12, 1985.

Architects Gillespie and Steel Associates designed the terminal building as an international airport facility. The building will be located on the northern side of the runway next to the meteorology Services building and the air traffic control tower.

Major feature of the new terminal will be a passenger hall/pedestrian concourse designed for eight check-in counters and to accommodate 216 persons at a time. Two air-conditioned departure halls will provide easy outflow of passengers during peak periods.

SECURITY SCREENS

The baggage hall will feature sliding security screens for use during international flight arrivals. Arriving international passengers will collect their baggage from the eastern section and proceed through customs. Domestic passengers will use the western section and exit.

Other terminal facilities will include a VIP lounge, restaurant,

waving gallery, cafeteria, Immigration, Plant Quarantine and Port Health.

Vending facilities will be provided outside the building.

Existing runway capability will be expanded. Taxiways off the existing runway will lead to new parking positions and floodlighting and taxiway lighting will be installed.

Navagational facilities will include a new Non-Directional Beacon (NDB) — a tall antenna with red lights at the north-western corner of the airport.

The NDB provides electronic guidance to the airport and will be used by pilots for airfield identification and reference. This aid will be used to descend through clouds in the initial stages of landing without the danger of encountering obstruction on the ground.

Distance measuring equipment will complement the NDB and will assist pilots landing under poor weather conditions and at night.

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